

Following MK Ran Cohen's revelations on Iskoor

Kessar orders end to Pretoria ties

By JEFF BLACK
For The Jerusalem Post
Histadrut Secretary-General Yisrael Kessar yesterday instructed the labour federation's industrial leaders to break all commercial ties with South Africa once present contracts have expired. Kessar's move came 10 days after MK Ran Cohen (CRM) revealed that Iskoor, a company owned by the Histadrut's Koor Industries, last year bought \$25m. of steel and scrap-iron from South Africa.

Cohen charged that Iskoor had set up a front company in Switzerland called Talronics to conceal its dealing with South Africa.

Kessar initially refused to respond to Cohen's charges. Yesterday, however, he summoned Dan-

ny Rosolio, the chief executive of the Histadrut's holding company, Hevrat HaOvdim, Arnon Gafni, chairman of Koor's board of directors, and Yeshayahu Gavish, Koor's managing director, to his office.

Kessar made it clear to these officials that they were to follow the Histadrut's policy of ending all trade links with South Africa.

The three men agreed and told Kessar they had already given such instructions to all their concerns. But they pointed out that Iskoor last year signed a five-year contract with South Africa which would be too expensive to cancel.

It was therefore decided to allow the contract to run its course on the understanding that it would not be renewed.

Cohen expressed his satisfaction last night that his charges had been acted upon. He said he was glad everything was out in the open and had been dealt with in a democratic, dignified manner.

He added, however, that Iskoor's contract should be terminated immediately. He said European countries and the U.S. had had similar contracts with South African firms which they had cancelled regardless of the cost.

Cohen also remarked that to the best of his knowledge, Iskoor had signed a three-year contract with the option of an extra three years with its South African partner and not a five-year deal as the industrialists claimed.

Cohen said he would continue his inquiries into the issue.



Basuto men queue up in the Lesotho capital, Maseru, yesterday in the hope of getting work on South Africa's strike-paralysed gold and coal mines. See Police Swoop, page 3. (Reuters)

Heat hits waterless Negev town

A number of children and adults from the Negev development town of Yeroham were admitted to Soroka Hospital emergency ward yesterday suffering from dehydration.

It was 38 degrees in the shade when Yeroham's water system broke down and the town's 6,000 residents were left without any water in their taps.

There will be no relief from the heat-wave for the time being, according to the meteorological service at Beit Dagan.

The weatherman cautioned that as the hot weather continues, the body's tolerance of the heat diminishes. The public is urged to drink a lot throughout the day.

"The heat-wave will not break at any point as far as I can see — and I can see about four to five days ahead, the duty weatherman said last night. He added ominously, "We can expect a slight rise in temperatures as the weekend sets in."

He forecast maximum temperatures of 33 for Jerusalem, 31 for Tel Aviv and 44 for Eilat. By Friday noon, the temperatures will have risen by a degree or two, and will stay there over Shabbat noon.

Residents in Yeroham complained yesterday that not one of the town's elected or administrative officials could be found to deal with the emergency there, and that there had been no warning of the shut-down to enable them to bring in a water supply. Soft drink vendors made a killing.

The deputy chairman of the local council, Mordai Peretz, who returned to town in the evening from army reserve duty, said the water cut-off was caused by eroding pipelines. He said the high salinity of the water caused the pipes to deteriorate rapidly.

U.S. steps up the pressure

Shultz now urging Israel to halt Lavi

By BENNY MORRIS and AVI TEMKIN

The U.S. yesterday dramatically stepped up its pressure on Israel to halt the Lavi project. In a personal message, Secretary of State George Shultz enjoined the prime minister and senior ministers to scrap development of the plane.

The message, conveyed by deputy U.S. Ambassador Arthur Hughes to Foreign Minister Peres, Defence Minister Rabin, Finance Minister Nissim and Economics Minister Ya'acobi, urges Israel's leaders to decide to halt the project at Sunday's crucial cabinet meeting. The same message was transmitted to Prime Minister Shamir by visiting U.S. envoy Charles Hill.

Echoing the words of State Department spokesman Charles Redman in Washington on Tuesday, Shultz stressed that continuing with the Lavi would run counter to Israel's best interests, given the option of "alternatives" that were far cheaper.

Shultz reaffirmed America's readiness, as expressed to Rabin during his recent trip to the U.S., to help Israel with these "alternatives," should Israel decide against continuing with the Lavi.

In a radio interview yesterday, Peres declared that the Israeli decision-makers must "take into account" America's position before making a final decision about the project. That statement was made after the Redman announcement, but before the arrival of the Shultz

messages. Peres's statement seemed to indicate that he was steadily moving into the anti-Lavi camp, in the absence of what he called an "alternative source" of funding for the project.

The U.S. is willing to enlarge the non-earmarked part of its military aid to Israel from \$300m. to \$400m. over the next two years, if the Lavi is scrapped. This emerges from the formal proposal on the Lavi which Nissim and Rabin have presented to the cabinet. The two ministers yesterday decided on a joint policy, insisting that the cabinet stop the project.

The U.S. grants Israel \$1.8 billion annually in military aid, but most of the sum can be spent only on American-made equipment. What (Continued on Page 2, Col. 2)



The crew of a United Arab Emirates gunboat prepare to take a potshot at a mine in the Gulf yesterday. (Reuters)

Gulf minings continue

Post Middle East Staff and agencies

A fourth mine has been found in the Gulf of Oman, where a mysterious influx of floating explosives is menacing shipping and U.S. naval convoys to Kuwait. Officials said yesterday.

Two of the three mines, found on Tuesday near the port of Fujairah just outside the Persian Gulf have been defused or detonated by the

United Arab Emirates Coast Guard. Coastguards, however, lost track of the third mine, which was drifting off Fujairah, where 60 tankers are riding at anchor.

The fourth mine was found some 22 kilometres off Fujairah, not far from where the U.S.-owned super-tanker, Texaco-Caribbean, was damaged by a mine Monday.

In Kuwait, three Kuwaiti tankers (Continued on Page 2, Col. 4)

Rabin slams project

By JOSHUA BRILLIANT

Post Defence Reporter
Defence Minister Yitzhak Rabin said last night that Israel's ability to win a battle of attrition while sustaining relatively few losses, will be greater if it cancels the Lavi project, buys an equal number of "just-as-good" F-16Cs and uses the \$2 billion thus saved for other material.

Rabin made the statement in an interview over TV's Moked programme. He did not go into detail, but suggested that if facing problems in a future war the IDF would perhaps resolve those problems much more cheaply and effectively by developing other systems that the IDF wants, and not rely only on sophisticated aircraft to do the job.

Rabin maintained that a decision to build the Lavi cannot be implemented unless the defence budget is increased. He noted he had talked of an annual increase of \$220 million, but the IDF general staff wanted more. He did not say how much more, but military sources have talked about \$400m.-\$600m.

"Even if the defence budget is increased by \$220m., the IDF may be required to cancel some of its plans for new weapons systems and perhaps even cut the size of its fighting forces."

The defence establishment has (Continued on Page 2, Col. 1)

Furore over Sharon's speech continues

Lebanon probe seen 'unlikely'

By BENNY MORRIS

Post Diplomatic Correspondent

While Ariel Sharon's apology on Tuesday for the Lebanon war continued to generate waves of indignation in the Labour Party and among army veterans yesterday, there was broad agreement in political circles last night that the newly roused issue was not likely to snowball into the establishment of a judicial commission of inquiry into that war.

Minister without Portfolio Ezer Weizman who had preceded Sharon's minister of defence ascribed Sharon's assertions — "many of which were inaccurate" — to his "guilty conscience [over the war]. He bears a heavy cross!" From time to time, Weizman said, Sharon — "who was sacked, he did not resign" — had to unburden himself. Weizman dismissed the Sharon lecture as "the ultimate cheek, hutzpah."

Foreign Minister Peres yesterday said that, "in the light of Sharon's statements," he did "not rule out" a commission of inquiry. But his aides added that Peres believes that the matter was not feasible under the current political circumstances.

Peres's aides described Sharon's allegation that Labour's leaders had agreed to and had actively supported

the 1982 invasion of Lebanon as "crude lies." The aides said that the Labour leaders, in the party's Political Committee, had already in January 1981 voted against the planned invasion.

During the war, said the aides, Labour had agreed to the initial 40-kilometre-deep operation, but after "three-or-four" days, Peres had "protested" against the war's expansion and had asked then-Prime Minister Menachem Begin that the IDF stop.

Sources close to Prime Minister Yitzhak Shamir said yesterday that the prime minister, "as in the past, is dead set against a commission of inquiry on the war, just as he has consistently opposed all commissions of inquiry, in recent years. There was nothing new, nothing that Shamir did not know, in Sharon's lecture [in Tel Aviv University]. He justifies Sharon's presentation of the matter and believes that matters should end there," said the sources.

Former minister and Shinui MK Amnon Rubinstein yesterday reiterated his call, first issued three years ago, to set up a judicial commission of inquiry. Rubinstein charged that Labour had prevented the establishment of such a commission for two

years (1984-86). Police Minister Haim Bar-Lev said yesterday that Labour had approved of the 40-kilometre penetration, in view of the PLO shelling of the northern border settlements, "but everything afterwards was carried out despite our opposition."

Bar-Lev said that Sharon had indeed reported to the Knesset Foreign Affairs and Defence Committee regulating during the war, "but he did not always report in [chronological] order and on time" about each move or planned move by the IDF. Already on Wednesday, the third day of the war, Labour's leaders, said Bar-Lev, had gone to Begin to caution him against provoking a war with Syria. Later that day, the IDF hit the Syrian missiles and ground troops in Lebanon, thus widening the scope of the war.

Ezer Weizman also supported the establishment of a commission of inquiry. He rebutted Sharon's allegation that he, Weizman, had already in 1979-80 approved the invasion plans. "He has taken things out of context, and has been inaccurate to boot. Armies always have contingency plans, for every eventuality, they cover half the world. (Continued on Page 2, Col. 2)

Rumours of imminent Shultz visit denied

By BENNY MORRIS

Post Diplomatic Correspondent

The possibility of an imminent visit to the region by Secretary of State George Shultz was ruled out here last night at the completion of the round of talks between special U.S. envoy Charles Hill and Israeli leaders.

Observers in Jerusalem said yesterday that Shultz was unlikely to visit the Middle East, unless he felt relatively certain that progress has been achieved in the peace process. Such a visit was also thought unlikely prior to next month's meeting between Shultz and Soviet Foreign Minister Eduard Shevardnadze.

Shultz has no plans to visit Israel soon to spur Middle East peace efforts deadlocked over the issue of an international conference, State Department spokesman Charles Redman said in Washington last night. "There are no plans for that now," he said.

At yesterday's meeting between Hill and Prime Minister Shamir, the prime minister raised the subject of Soviet Jewry with the expectation that Hill would pass on his suggestion to Shultz in advance of his meeting with Shevardnadze. Other bilateral Israeli-American issues, including the Lavi project, were also discussed.

Shamir reiterated his opposition to the idea of an international Middle East peace conference and Hill apparently suggested the Shultz visit as a way of getting the peace wagon moving. Shamir's aides said that Shamir has "traditionally" favoured such a visit by Shultz if it holds out the prospect of progress.

Afterwards, Hill met with Yossi Beilin, the political director-general of the Foreign Ministry, to review the situation concerning the conference. Hill and Foreign Minister Peres on Tuesday spent some two-and-a-half hours discussing the situation, with Peres pressing for an (Continued on Page 7)

LATE NEWS

Reagan accepts responsibility

WASHINGTON (AP). — President Ronald Reagan last night accepted full responsibility for the Iran-Contra affair, saying he was "ultimately accountable to the American people" and should not have been shielded by aides from what was happening.

"There are 17 months left in this administration and I want them to be productive, prosperous ones for the American people," Reagan said in remarks prepared for a speech to be delivered from the White House after midnight.

Judges question defence witness's expertise

By ERNIE MEYER

Jerusalem Post Reporter

Edna Robertson, the documents expert for the defence in the Demjanjuk trial, took a severe pounding from the prosecution and bench in her third day under cross-examination yesterday.

At different stages all three judges expressed criticism of the methods by which she had arrived at her opinion that the crucial Trawniki identity card was a forgery.

Said Presiding Judge Dov Levin, after she had admitted that a rust stain on the ID card should have been tested chemically and not only

visually: "All you've said on this subject is based on visual observation, but science has advanced much beyond that."

Said Judge Zvi Tal after it was pointed out to Robertson that the iron in the ink of a signature on the ID card could have caused a disputed rust stain: "I wonder what expertise you have."

Said Judge Dalia Dorner, after Robertson had blamed defence lawyer John Gill for having failed to order a certain chemical test (thin-layer-chromatography) for a section of the ID card: "This reservation should have been reflected in your



DEMJEANJUK ON TRIAL

judgement concerning the card's authenticity."

Judge Levin summed up: "the failure of the chemistry between you and this court is based on our concept that an expert should know his disciplines. But you want to convince us that a little knowledge of inks, of paper and of instruments is sufficient."

Towards the end of the afternoon session, prosecutor Michael Shaked reminded Robertson in exasperation that the prosecution had twice brought a well-known expert on inks and paper, Dr. Antonio Carrara, from the U.S. to testify on chemical tests. The implication was that Robertson, with her M.A. in psychology, her assortment of courses in document testing, and her admitted ignorance of chemistry, could not compare with such an authority.

Robertson bridled: "I am as good at what I do as he is at what he does."

Shaked's voice quivered with anger as he directed his next question at the unflappable Robertson. Cautious Levin: "Mr. Shaked, you are losing your patience."

Shaked: "No, I'm not."

Levin: "You must give Mrs. Robertson the respect due...her personality."

In his attack on Robertson's expertise and findings, Shaked yesterday used not only his seemingly endless research resources but also some "heavy artillery." This took the form of a visual spectral comparator (VCS) machine, which was borrowed from the police criminal identification laboratory and placed in front of the judges' bench.

Small video screens linked up to it faced the bench, the defence table and the audience. The machine can distinguish between different inks on a document by measuring their luminescence, and the results are projected onto a screen.

Robertson had partly based her finding that the Trawniki ID card had been altered and therefore was a forgery on tests made on the VCS machine at the police laboratory here last May. The test concerned a circular stamp which covered one corner of the photo on the Trawniki ID card and part of the paper below

it. The legend around the circle of the rubber stamp said "SS Training Camp Trawniki." Robertson said that the ink on the section of the stamp on the photo luminesced differently from the ink on the rest of the stamp, below the photo.

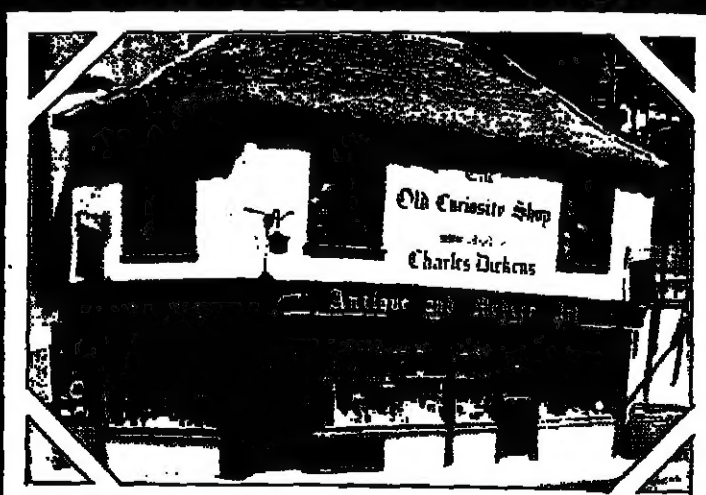
Assisted by police laboratory head Rav-Pakad Bezalet, Robertson expressed surprise when the machine at first produced a video image showing the same luminescence for the section of the stamp on the photo and that on the paper. "This is not what I saw when I performed my tests. We're not getting the same image here," she said.

But eventually Robertson produced an indistinct image, which she said showed a difference in luminescence between the two sections of the rubber stamp. "This is not the brilliant contrast I observed earlier...it fades in and out...but I can see a dimmer version of the difference," she said.

She explained that in her laboratory in Panama City, Florida, she had a simpler version of the machine, which she was more adept at handling.

Shaked then inserted Demjanjuk's 1947 driver's licence into the machine. There is no question about (Continued on Page 7)

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CHICAGO	18	64	84	Cloudy
COPENHAGEN	11	52	72	Cloudy
FRANKFURT	11	52	72	Cloudy
GENEVA	13	55	75	Cloudy
HELSINKI	12	54	74	Cloudy
HONGKONG	27	79	91	Cloudy
JERUSALEM	7	45	72	Cloudy
LONDON	18	64	84	Cloudy
LYON	18	64	84	Cloudy
MADRID	11	52	72	Cloudy
MONTREAL	15	59	79	Cloudy
NEW YORK	17	63	83	Cloudy
OSLO	18	64	84	Cloudy
PARIS	18	64	84	Cloudy
RIO DE JANEIRO	12	54	74	Cloudy
SAO PAULO	8	42	62	Cloudy
STOCKHOLM	18	64	84	Cloudy
TOKYO	25	77	97	Cloudy
TORONTO	14	57	77	Cloudy
VIENNA	11	52	72	Cloudy
ZURICH	17	63	83	Cloudy

For the latest weather conditions contact Swissair.

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THE WEATHER

Forecast: Hot and dry in mountains, muggy in coastal regions.

	Yesterday's	Today's	Max
Jerusalem	18	24-34	33
Golan	18	21-36	35
Nahariya	18	23-31	31
Safed	16	21-34	32
Haifa Port	23	23-41	40
Tiberias	31	31-35	37
Nazareth	31	31-35	37
Afula	30	25-38	37
Samarit	29	22-36	35
Tel Aviv	32	24-32	31
B-G Airport	55	22-35	33
Jericho	52	25-43	41
Gaza	74	25-31	37
Beersheba	35	22-38	37
Eilat	15	31-44	42

Beit Jann head quizzed on Meron riots

By DAVID RUDGE
ACRE. - Police yesterday questioned Beit Jann local council chief Shafik Assad in connection with the riots in the Mount Meron Nature Reserve last month.

Assad arrived at the Galilee district police headquarters in answer to a summons and was released later in the afternoon.

So far, 68 Druze villagers have been questioned about the fighting in which 23 police officers and two Nature Reserves Authority wardens were injured.

Assad said last night that he intended to file a slander suit against Galilee district police chief Ya'acov Ganot for comments he made in an interview screened on Israel Television's Arabic news.

In the interview, Ganot described Beit Jann's local council chairman as a criminal who would be brought to trial.

Meanwhile, the Supreme Court has issued an injunction against Agriculture Minister Arye Nehamkin, preventing him from implementing an agreement aimed at allowing Beit Jann residents to cultivate 13,000 dunams of their land inside the wildlife sanctuary.

Firemen end strike

By JONATHAN KARP
TEL AVIV. - The city's firemen returned to work last night after the District Labour Court pressed them and the Municipality to resume negotiations over a wage agreement.

Firemen said last night that they would reopen their stations in Jaffa and near the Cinemas and fully staff their main station on Rehov Basel, thus ending a day-and-a-half day strike and the week of disruptions that preceded it.

The outcome of the court hearing satisfied the Municipality, which had said that it would not negotiate while the firemen were striking. The work agreement expired last April.

During the strike, there were no fewer than 27 fires, or about the normal number for this time of year, a duty fireman said last night.

The fire brigade put all of them out, he added, but with only one of three stations open and only four firemen working at any given time, they had had to rely on residents and soldiers to help out.

RABIN

(Continued from Page One)
already been forced to reduce the number of its fighting planes by 15 per cent and cut the number of tanks by one-sixth, he said. Manpower training and development projects have also been cut.

The reduction in the army's order of battle may be so great that it is doubtful whether there will be any justification for producing the Lavi.

A decision to build the Lavi would also entail unjustified risks because Israel would be depending on the continuation of extensive U.S. aid, even though the U.S. is having economic difficulties.

The project would depend on U.S. aid for the next 15 years. In the next four years, it will cost some \$3b. in development costs, while no weapons system will be delivered.

He brushed off suggestions that Israel should reject U.S. "advice" to cancel the project. The Americans have been funding the plane and feel they have a right to give advice. They've stated the decision will be Israel's, he stressed.

HOME NEWS

Vanunu permitted to describe how he was apprehended - but not where

Supreme Court Justice Gavriel Bach yesterday ruled that Mordechai Vanunu, the former Dimona nuclear technician who is being charged with espionage and treason, will be permitted to describe, during his forthcoming trial, how he was apprehended, under what conditions he was held, and his mental condition at the time.

Bach ruled, however, that Vanunu would not be permitted to name the country in which he was apprehended, identify the exact place where he was held or give the names of the people who had apprehended and guarded him.

Vanunu's lawyer, Avigdor Feldman, said: "The court's decision does not mean that any material from Vanunu's testimony will be made public. It does mean that the Supreme Court accepts that testimony which the District Court would not

hear, on security grounds, can be heard behind closed doors."

He added: "The main thing is that we will be able to call to court individuals involved in Vanunu's arrival in Israel. This is a great help for the defence, because if testimony shows that Vanunu was brought here illegally, we can plead for a dismissal."

Bach said that he had obtained information from the prosecution in regard to the nature of the secret evidence they intend to produce in court, and that he had also received pertinent explanations from the Shin Bet and from the heads of the Dimona nuclear research centre. He had also met separately with the defence to hear the main lines of its case.

Bach said that in his decision he had sought to

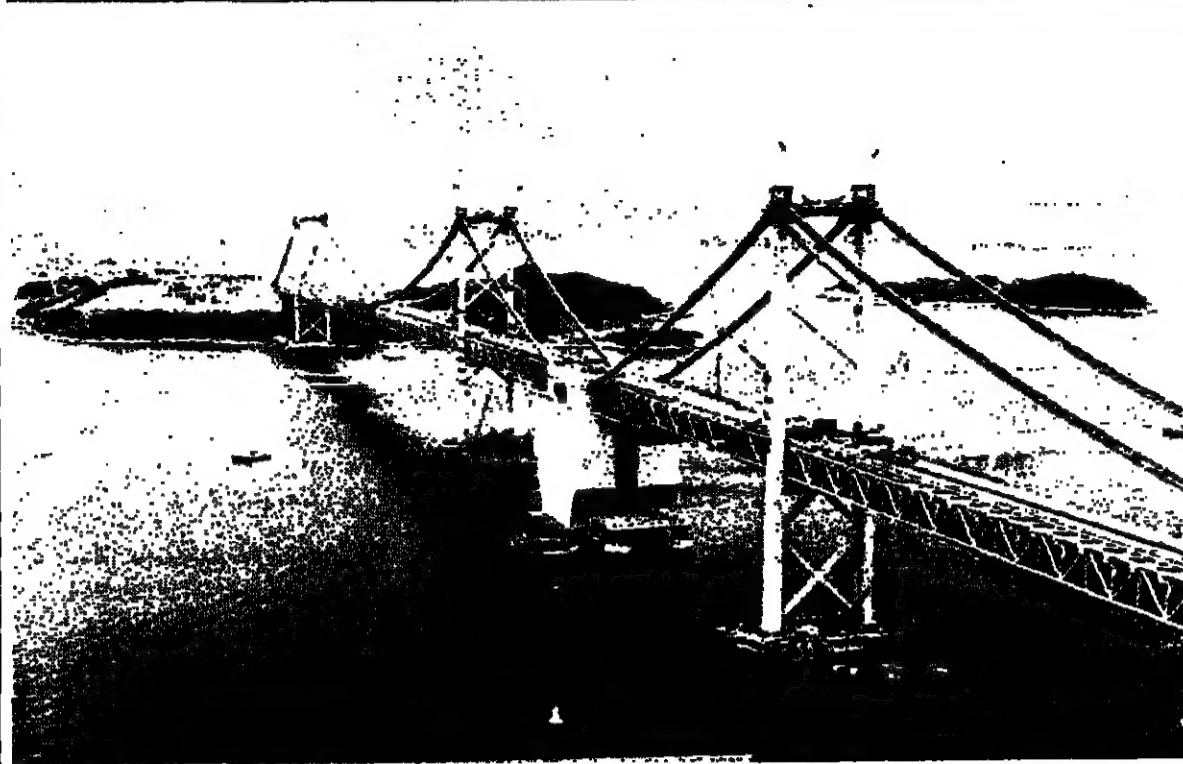
strike a balance between the interests of state security and the defendant's right to a fair trial.

The court, in closed session, was ruling on an appeal by Vanunu that his trial should hear how he reached Israel and part of what he says he knows of Israeli nuclear research. Feldman told newsmen.

Testimony on these points had previously been banned for security reasons.

Feldman spoke to reporters after Vanunu was spirited out of court by police who shielded him from photographers and sounded sirens to smother any shouts from him to newsmen.

Vanunu, in a message written on the palm of his hand, told reporters on his way to court last December that he had been kidnapped by Israeli agents in Rome. (Itim)



What is claimed as the world's longest bridge, connecting Japan's main island of Honshu with Shikoku island, is formally inaugurated yesterday. The double-decker bridge, to open for use in April, is 37.3 km. long, while the actual length over the sea totals 9.4 km. (AFP)

No clues in Alfei Menashe attack

By JOEL GREENBERG
Security forces still have no clue to the identity of the assailant who hurled a petrol bomb last week at a car near Alfei Menashe, injuring a couple from the West Bank settlement, OC Central Command Amram Mitzna said yesterday.

He was speaking during a visit to the site of the attack with Chief of General Staff Dan Shomron.

Shomron inspected the security measures at the scene, near the Hab-

la junction, and spoke with Alfei Menashe residents. An additional length of high fence has been erected along the road to the settlement in order to deter throwing of petrol bombs. Earth-moving work is also under way for the construction of an IDF outpost on the hill from which last week's petrol bomb was thrown. Roads will be cut to other lookout points on hills along the road.

Mitzna said that intensive covert work was being done to find the attackers.

But he added: "I cannot report any progress. We're working on a broad front, but we still don't have clues." He said that Alfei Menashe settlers and the IDF understood that such attacks could not be stopped entirely.

In Nabulus yesterday, troops sealed off two alleys from which petrol bombs were recently hurled at IDF soldiers. In one incident on Sunday, a soldier was lightly hurt. Another alley was sealed off in the neighbouring Balata refugee camp.

'U.S. plotted to kill Khomeini'

KUWAIT (Reuters). - Irangate middleman Adnan Khashoggi says that the U.S. once planned to assassinate Iranian leader Ayatollah Khomeini.

Khashoggi said that after the U.S. began contacts with Iran, a plot was hatched "to liquidate Khomeini and give power to a new man."

The flamboyant Saudi businessman said the plot envisaged killing Khomeini by "putting something in his tea or something like that."

In an interview published in the Kuwaiti papers *Arab Times* and *Al-Sayassah*, he also said Egypt was initially involved in contacts that eventually led to the controversial U.S. arms sales to Iran.

He said that when he was first approached by a

moderate group in Iran "led by Khomeini's designated successor Ayatollah Hussein Ali Montazeri, he passed information to Egyptian officials who then had a number of meetings with the Iranians."

When Egypt subsequently told the U.S. about the contacts, American officials dismissed Montazeri as "feeble-minded" and did not want the Egyptians to follow up, Khashoggi was quoted as saying.

The U.S. agreed to get involved after Israel expressed interest, he maintained.

In defending his contacts with Israeli officials, Khashoggi said: "All Arab leaders, except a very few," had met with Foreign Minister Peres.

LAVI

(Continued from Page One)
the Americans have offered Israel is an increase in the free share of the aid, the part that can be spent in Israel, from \$300m. to \$400m.

In their proposal, Nissim and Rabin will say the Americans will be willing to continue financing purchases of Israeli-produced materiel with the American aid money, if the Lavi is discontinued. There are doubts about such willingness, if the cabinet decides to go ahead with the project.

Treasury officials said yesterday that the U.S. may even decide to increase the financing of offset purchases by some \$100m. over the next two years, if the Lavi is terminated. This would put the benefits the Americans are offering Israel at some \$400m. over the next two years. Such a sum would enable Israel to start financing at once the development of weapons systems needed by the IDF. This would help reduce the unemployment caused by scrapping the Lavi. Rabin and Nissim will tell the cabinet that the sums allocated to Israel Aircraft Industries for the fiscal year will not be reduced. A special team from the Treasury and the Defence and Labour Ministries will be charged with drafting plans to cope with the expected dismissals. Thousands of workers are expected to be affected by the decision to terminate the Lavi.

Joshua Brilliant adds:
The chairman of the Israel Aircraft Industries board of directors, Aluf (Res.) Mordechai Hod, yesterday

day reiterated that the Lavi should be built despite the explicit U.S. calls to the contrary.

"I don't think the Americans actually oppose [the project]. It's convenient for them that we stop, but they said it's a decision the government of Israel must take," he said last night.

"The appeals do constitute pressure, but the government of Israel was told more than once that it is sovereign to decide," he argued.

It was impossible to say that the U.S. as a whole was dead set against the plane. "There is the president, the State Department, the Pentagon, the Senate, the military industries. The U.S. is not one voice," he claimed.

As for the project itself, "it is already two-thirds completed," he said.

Meanwhile, local military sources who have strongly opposed the programme said they did not see how it was possible to decide in favour of it.

A senior military source ridiculed IAI claims that the Lavi will be less expensive than earlier predicted. "First the IAI says it needs \$110m. a year over and above the \$550m. already allocated, and now it says it can cut costs by \$100m. That's a change of over \$200m. a year - and I guess everybody knows how serious that is."

Leaders of the Conference of Presidents of Major American Jewish Organizations are meeting today with Defence Secretary Casper Weinberger, and the Lavi issue is expected to be discussed at length.

GULF

(Continued from Page One)
sailing under the U.S. flag docked safely in their home port yesterday - all are expected to be ready to leave the Gulf again by Sunday.

Iran, believed responsible for laying the mines, yesterday asked the UAE for permission to send Iranian ships and mine-hunting helicopters into UAE territorial waters to join in minesweeping operations in the Gulf of Oman at the entrance to the Persian Gulf.

Britain yesterday rejected Iranian charges that pressure from the U.S. influenced its decision to send a minesweeping fleet to the Persian Gulf.

Washington has welcomed moves by both Britain and France to send minesweepers to the Gulf. These and other European countries had earlier rejected a U.S. appeal to help keep Gulf shipping lanes mine-free.

Britain said yesterday its four minesweepers would be deployed from next month only in southern Gulf waters, where is Armilla patrol protects British-registered ships.

The London shipping insurers Lloyd's said yesterday it would charge a "war risk" premium for the first time, for ships in the Gulf of Oman. The premium will be 0.125 per cent of the insured value of vessels sailing in the Gulf of Oman, effective immediately.

The new premium means that a ship with an insured value of \$10 million will have to pay a war risk premium of \$12,500 for two weeks, to cover it in an area between 24 and 26 degrees north latitude.

Cyanide scare in Tel Aviv

TEL AVIV (Itim). - Residents in a large area of central Tel Aviv were evacuated from their flats yesterday afternoon and streets were closed to vehicles and pedestrians after a metre-high blue barrel marked "Danger, cyanide" was spotted in a courtyard.

Bluma Podvorny of 3 Rehov Tlomkin, where the barrel was found, called the police who sent a patrol. When a police sapper tried to open the barrel he was overcome by a gas and taken to hospital. The patrol then called in additional police units, the fire brigade and ambulances.

Police patrols went up and down the streets using loudspeakers to call on residents to leave their flats.

Toxicologists wearing white coveralls and gas masks, with oxygen balloons on their backs, carried the barrel onto the street. There, they put it into a polyethylene bag which was inserted into a security barrel and then wrapped in polyethylene again.

Meanwhile, senior civil defence officials experienced in gas warfare arrived on the spot, as did chemists and top police officers.

After two hours, the barrel was placed in a special armoured police truck and taken away to an unidentified destination.

The barrel was found by two students employed by Podvorny to clear out her courtyard. She said it was when she called the police, they told her to call the municipality, but the municipality told her to call the police, who finally decided to send a patrol.

The police sapper who opened the barrel said that it contained crystals and that the top of the barrel carried the words: "Poison sodium cyanide."

Rockets fired at Unifil post

By DAVID RUDGE
Jerusalem Post Reporter
ROSH HANIKRA. - Gunmen fired two rocket-propelled grenades at a Unifil position north of the security zone in South Lebanon early yesterday morning.

The grenades hit the eastern ramparts on the perimeter of the outpost, causing no injuries or damage. Unifil spokesman Timor Goksel said. He added that the attack, by unidentified gunmen, was directed at a Fijian position near the village of Qana, about 11 km east of Tyre.

The attack was apparently in retaliation for checks carried out by the Fijian troops on persons passing through their checkpoint, which controls a major intersection in the region. Several days ago the soldiers stopped a number of armed men and confiscated their weapons.

"There have been threats made against the troops at this position by people who are opposed to having their cars searched. We can only surmise that the RPG attack was connected with these threats," said Goksel.

Search for missing youths in Kinneret

TIBERIAS. - Navy divers and scores of volunteers have been combing Lake Kinneret since yesterday noon for two missing 17-year-olds from the Galilee village of Arrabe.

The two went with friends on Tuesday to take the written driving test in the Tiberias licensing office. On Tuesday morning a fisherman discovered their clothes on the northern breakwater of the marina here. It is assumed that they went for a swim during the night. The search was suspended last night and will be resumed in the morning. (Itim)

SHARON

Eitan denied Sharon's assertion that at the cabinet meeting of June 5, 1982, Sharon had told the ministers that the invasion would be only 40 kilometres deep. "At that meeting I presented maps with arrows showing the IDF's planned advance up to the Beirut-Damascus road. Forty kilometres was not mentioned."

Eitan attributed the slowness of the IDF's advance not to mismanagement of the forces but to a desire "not to leave tens of thousands of dead and destroyed Lebanese villages in the IDF's wake."



Police yesterday unveiled two models of special vehicles developed by Kibbutz Beit Alfa industries for dispersing crowds. The larger model is equipped with two water cannon and can carry 6,000 litres of water, 200 litres of soluble colour and 200 litres of tear-gas separately. The smaller model, which is highly maneuverable, comes with one water cannon and can carry 2,500 litres of water mixed with colour and tear-gas. Police sources said that other police forces had shown interest in purchasing similar vehicles. The larger model costs NIS 170,000 and the smaller model NIS 95,000. (Harari)

Injunction sought against Shamir in stadium dispute

By ANDY COURT
MK Dedi Zucker (Citizens Rights Movement) appealed to the High Court of Justice yesterday for a temporary injunction to prevent Prime Minister Shamir from attaching a "no Shabbat games" condition to the plan for the proposed soccer stadium in Jerusalem.

Zucker also asked the court for an order nisi which would require Shamir to explain why he hasn't forfeited his right to veto the plan since he has taken so long to come to a decision.

Shamir is currently "deviating from his authority, relying on foreign and invalid considerations, while in a position of conflict of interest," Zucker's appeal claims.

The issue of whether soccer games are played on Shabbat has nothing to do with the planning considerations that Shamir should weigh in his position as acting interior minister, but rather with personal and political considerations, which Shamir is weighing as the prime minister of a narrow coalition government, the appeal says.

According to Zucker's interpretation of the law, Shamir had 15 days to make a decision about the soccer stadium, and that deadline has long since passed. The plan should thus be viewed as if it had been signed by the prime minister, he claims.

Zucker's appeal traces the long history of the stadium plan - from the aborted attempt to build a stadium in Shufat, to the passage of the current plan through the local, district, and national appeals boards. He notes changes that were made in the plan in response to the 1,100 protests lodged mainly by religious residents of the Bayit Vegan and Givat Mordechai neighbourhoods.

The plan for a new soccer stadium in Jerusalem's Manahat neighbourhood, more than a kilometre away from Bayit Vegan, requires only Shamir's signature (as acting interior minister) to be approved. Interior Ministry Director-General Aryeh Deri said that the plan was still in the ministry because certain problems had been discovered.

WUJS may shut down over shortage of money

Jerusalem Post Reporter
ARAD. - The WUJS (World Union of Jewish Students) Institute here could be facing imminent closure, due to financial difficulties. WUJS, which offers foreign professionals an opportunity to live in Israel for a year, has debts of \$100,000.

The institute is financed by the Jewish Agency Aliya Department, which allocates \$40,000 a year for the WUJS budget.

Arad local council head Avraham Shoshad yesterday appealed to the agency to give the institute an immediate grant of \$100,000 and an

annual budget of \$80,000.

An Aliya Department spokesman said that there were no plans to close the institute, but the department wanted to find out how its debt accumulated before providing further help.

Professionals interested in learning about life in Israel come here at their own expense and pay \$1,500 for maintenance. The institute provides housing and, for the first six months, a Hebrew-language ulpan. The professionals work in their chosen fields during the second six months. They are adopted by Arad families throughout their stay.

Team to implement cabinet decision on electricity firm

By JOEL GREENBERG
Teams from the Energy Ministry and the Jerusalem District Electricity Company (JDEC) will begin work next week to implement the cabinet's decision to renew the Arab firm's concession while reducing its area of service to exclude Jewish customers. Preparations for renewing the concession, which expires at the end of the year, must be completed by October.

Agreement on setting up the teams was reached at a meeting yesterday between Energy Minister Moshe Shahal, JDEC board chairman Hanna Nasser and other company officials. Nasser expressed disappointment at Sunday's cabinet decision to reduce the area of the company's concession when it is renewed for an additional 10 years in January. According to the cabinet resolution, the JDEC will no longer serve West Bank settlements and army bases, or Jewish neighbourhoods in Jerusalem across the Green Line. Its NIS 33 million debt to the Israel Electric Corporation, from which it buys 95 per cent of its power, is to be cancelled.

Shahal said he was committed to the survival of the firm, and would

supply it with loans in accordance with a list of needs to be submitted by the firm and approved by Energy Ministry experts.

The loans will be dependent on the company's economic recovery in line with a comprehensive plan and timetable to be drawn up by the JDEC with the help of a consulting firm. The plan is to include measures to streamline the company's operations, such as firing some 200 workers and upgrading its electricity grid.

Nasser said after the meeting that he expected to receive some \$6 million for compensation of workers. He said that Shahal expressed no objection to Jordanian assistance in renewing the company's grid. The JDEC has already submitted a request to Jordan to fund the new grid.

Shahal told Nasser he expected the renewed concession to run until the year 2000 and he saw no reason why it should not be extended further if the company was operating profitably.

Shahal rejected Nasser's request to increase the JDEC's profit margin by raising its electricity rates. The minister said power could not be supplied to Jews and Arabs at different rates.

Only 2 found to review Waldheim's past

ZURICH (Reuters). - Swiss historian Hans Rudolf Kurz has so far found only two qualified members for the independent international commission he is heading into the war record of Austrian president Kurt Waldheim, a Swiss newspaper reports.

In an interview published in today's edition of *Juedische Rundschau*, Kurz also said "certain governments" as well as Edgar Bronfman, president of the World Jewish

Congress, had refused to work with him. Kurz was quoted as saying only two historians, West German Manfred Messerschmidt and Israeli's Yehuda Wallach, had agreed to join the commission.

The Austrian government announced on June 22 it would ask Kurz, a retired military history professor at Berne University, to chair a commission of between four and six members into Waldheim's controversial past.

SA police swoop on mine unionists, seizing 78

JOHANNESBURG (Reuters). — South African police yesterday arrested 78 black trade unionists taking part in the country's biggest wage strike by hundreds of thousands of gold and coal miners.

A statement by police headquarters in Pretoria said the members of the National Union of Mineworkers (NUM) were arrested during a swoop on union offices at Klerksdorp, west of Johannesburg.

Police said those detained — the NUM earlier put their numbers at 86 — would be charged with conspiracy to commit murder and other offences. It gave no further details.

NUM spokesman Marcel Golding said the detainees were herded into vans and driven away after police surrounded the offices where 300 union members had gathered.

The police statement came on the third day of the strike which has seriously disrupted gold and coal min-

ing, backbone of the South African economy. It said those attending the Klerksdorp meeting were told that "radical steps had to be taken to prevent miners returning to work."

NUM officials were not immediately available for comment. The arrests coincided with an ultimatum from one of the affected gold mines, Lorraine, in the Orange Free State, that it would dismiss about 2,500 miners if they did not report for yesterday's night shift.

The owners, Anglo-Vaal mining company, said they were acting because the NUM was not recognized at Lorraine and the strike there was

illegal under South African law.

The statement accused the strikers of using intimidation. "Management has been forced to act to protect those employees who wish to continue working," it said.

Golding described the police raid at Klerksdorp as "an attempt to break the strike and to undermine legitimate trade union activities."

Earlier, the NUM reported that the wage dispute — the biggest in South Africa's history — had spread to a few more small pits and more than 340,000 men were on strike. The mineowners put the figure at about 230,000.

The strike, called to back demands for a 30 per cent wage rise, is seen as a crucial test of strength between emergent black unions and the white authorities.

The country's biggest anti-apartheid organization, the three-million member United Democratic Front (UDF) yesterday threw its support behind the miners.

A UDF statement — the first public declaration backing the miners by a major political organization — said it was considering "mobilizing community support" for the strikers. The government has so far stayed on the sidelines but commentators

said active backing for the NUM by the UDF would add a new political dimension to the dispute.

UDF treasurer Azhar Cachalia told reporters the UDF was prepared to supply food to the miners, who are receiving no strike pay and live in hostels inside guarded mine compounds.

Golding said the strike was expected to spread last night to the refinery where the country's gold bars are produced.

All South Africa's mined gold is sent to the Rand Refinery, in Germiston, where it is refined to 99.9 per cent pure gold and cast into bars.

Golding said 120 of the 150 black staff at the refinery voted in a ballot to join the strike. The small refinery is owned by the Chamber of Mines.

Closure of the refinery would halt production of saleable gold, South Africa's biggest foreign exchange earner.

FOREIGN BRIEFS

Cincinnati nurse confesses to killing 34 patients

CINCINNATI, Ohio (APF). — A 35-year-old male nurse has confessed to the killing of 34 hospital and private patients in Cincinnati, the local WCPO TV station reported.

The judicial authorities refused to comment, but WCPO said the nurse, Donald Harvey, had said in a videotaped confession that he had killed the patients by poisoning them, stifling them with a pillow or injecting air into their veins.

The first five murders, WCPO reported, were committed in 10 years, from 1975 to 1985, at the Cincinnati War Veterans Medical Centre. Another 23 were killed from February 1986 to March 1987, at Drake Hospital, and six patients were killed outside hospitals.

'Dead' man sits up during last rites

KUALA LUMPUR, Malaysia (AP). — A 65-year-old man given up for dead shocked his relatives when he sat up while being given the last rites and asked why everyone was crying, a newspaper reported yesterday.

Munir Mahidin had been ill for a week with asthma at his house in Pontian, 300 kilometres south of Kuala Lumpur, the *New Straits Times* reported.

Rebels kill 72 civilians in Mozambique

MAPUTO (APF). — South African-backed rebels of the Mozambique National Resistance (Renamo) have killed 72 people in the southern Mozambican town of Manjacaze, military sources said yesterday. The Renamo attack against Manjacaze, located 240 km. north of Maputo, took place early Monday morning, authorities said.

Sources in the general staff of the Mozambican army said that the massacre took place against a background of continuing Renamo infiltration across the South African border.

Miss Universe: 'Politicians should be respected.'

SANTIAGO (APF). — Miss Universe 1987, Chilean-born Cecilia Bolocco, met President Augusto Pinochet on Tuesday and told reporters peace would not come by "violating laws" or showing disrespect for national leaders.

Gen. Pinochet, who ousted former president Salvador Allende in a September 1973 coup d'état, met Bolocco at the presidential palace and gave her a medal recognizing her May 26 victory at the Miss Universe pageant in Singapore.

The 22-year-old beauty told reporters: "Peace is not achieved by violating laws, or being in opposition to people above you. One must respect the people above, because it is difficult to be on top and to lead."

Sharp increase in nuclear testing, Swedes report

STOCKHOLM (Reuters). — The number of nuclear tests worldwide increased sharply in the first seven months of this year compared with the same period of 1986, Swedish scientists reported yesterday.

Nils-Olov Bergkvist, spokesman for the FOA, the Swedish defence research institute, said their seismic observatory at Hagfors had monitored 27 underground nuclear tests compared with only 12 in the same period of 1986. He said the reason for the sharp increase was the resumption of testing by the Soviet Union this year after an 18-month unilateral moratorium.

Gunmen kill senior policeman in Turkey

ISTANBUL (Reuters). — Gunmen attacked a police station in Istanbul yesterday, killing a deputy superintendent and wounding two other officers, the semi-official Anatolian News Agency said.

The attackers used automatic weapons in the raid on the building in the city's Zeytinburnu district. They used a pickup truck which was later found abandoned.

Deputy Superintendent Halil Pacaman was wounded in the incident and died later in hospital. A motive was not immediately clear for the attack.

Sicilian Mafia breaks own rules, slays woman

CATANIA (APF). — The Sicilian mafia broke its code of honour by shooting a woman for the first time, the police said here yesterday. Three men gunned down Lucia Atanasi, 55, the wife of a leading mafioso, with sawn-off shotguns as she sat on her veranda near her four children. One of her sons had already been killed last month.

Last year in Palermo, mafiosi broke their own rules by shooting and killing a child, an 11-year-old boy, for the first time.

East German Tornado jet spy traded in secret swap

BONN (Reuters). — An East German spy who betrayed the secret of the Tornado warplane to the Soviet Union was swapped in secret yesterday for an East German prisoner whose freedom has been sought for years by Bonn, government sources said.

Manfred Rosch, 63, was handed over to East German officials at Herleshausen on the border along with two minor East German spies, the sources said.

The East Germans in return released Christa-Karin Schumann, 52, the imprisoned woman friend of a top East German naval officer executed in 1979 for spying for the West.

Rosch, the East German-born former research chief of West Germany's biggest aerospace company, was sentenced to eight and a half years imprisonment in July 1986 for passing on secrets of the Tornado combat aircraft to the Soviet Union. He was unmasked by West Germany in 1984.

The sources confirmed a report by the *Bild* newspaper, which named the two other East German spies traded yesterday as Klaus Schmidt and Wolfgang Klautzsch, described as "small fry" serving between two and three years for espionage.

In a report released ahead of publication and minutes after the exchange took place, *Bild* said the swap was arranged by West Germany's Inter-German Affairs State Secretary Ludwig Rehlinger and East Berlin lawyer Wolfgang Vogel — veterans of spy trades.

Police clash with protesters in Seoul

SEOUL (AP). — Some 2,000 workers and government critics clashed with riot police here yesterday as labour unrest spread, crippling hundreds of plants that prop up South Korea's export-led economy.

Police used tear gas to quell the largest anti-government protest in the capital since a million people turned out to mourn a slain dissident student last month.

The protest at Seoul's Myungdong Cathedral was largely political but organizers said it also was meant to support tens of thousands of striking workers seeking improved wage and working conditions.

During the 3½-hour rally at the cathedral headquarters of South Korea's 2.3 million Roman Catholics, the protesters burned an effigy they said represented both President

Chun Doo Hwan and his designated successor, Roh Tae Woo.

"Down with the military dictatorship," the protesters shouted, raising clenched fists into the air.

The demonstrators, including workers from strike-hit companies, demanded the release of about 200 "prisoners of conscience" and shouted support for union demands.

At least one man, with blood over his head, was rushed to a nearby hospital in an ambulance, witnesses said. No arrests were reported.

Police hurled scores of tear gas grenades as about 1,000 people, throwing rocks, tried to march from the cathedral in the city centre, the scene of violent anti-government protests in the past.

The strikes have closed down the national automotive industry which

planned to export 680,000 passenger cars abroad this year.

Government officials said the automotive industry shutdown alone was expected to slash \$60 million from the country's total forecast export volume this year of \$44.5 b.

Key export industries such as machinery, shipbuilding, textiles, steel, footwear and processed foods, have also been affected. Strikes in transportation services, such as trucking and stevedoring, have forced delays in export shipments.

South Korea has been hit by waves of labour protests since the government, bowing to weeks of sometimes violent public protests, proposed sweeping democratic reforms. Riding the democratic developments, workers staged sit-ins, walkouts and wildcat demonstrations.

Landmine kills 2 Indian soldiers in Sri Lanka

COLOMBO (Reuters). — Indian peacekeeping troops in Sri Lanka suffered their first casualties yesterday in an accidental landmine blast that killed two soldiers and injured two.

A spokeswoman for the Indian High Commission in Colombo said a mine exploded during mine-clearing operations in the northern city of Jaffna, killing a major and a non-commissioned officer. Two soldiers were also injured in the blast.

The city was the main stronghold of Tamil separatist guerrillas during a four-year conflict with Sri Lankan troops.

The victims were the first casualties among 6,000 Indian troops su-

pervising a July 29 accord that had ended fighting between the minority Tamils and the government dominated by the majority Sinhalese community.

Military officials said Indian and Sri Lankan troops had cooperated in clearing at least 600 mines in the past few days around Jaffna Fort where the blast occurred. The 17th century Dutch-built fort was the government's only stronghold in the city for the past two years.

Thousands of landmines were planted by Tamil guerrillas and the Sri Lankan military across the Jaffna peninsula and in contested eastern districts before the Indian-brokered peace accord became effective.

Syrians open fire as Palestinians protest

BEIRUT (APF). — Syrian soldiers fired warning shots at a Palestinian demonstration yesterday and sealed off the entrance to the Palestinian refugee camp of Shatilla on the southern outskirts of Beirut, Palestinian sources said, adding that the shooting caused no casualties.

Shatilla's 4,000-member population had gathered in the camp's main street to protest a blockade prohibiting male residents from leaving the compound.

The residents had staged a similar protest on Tuesday and chanted slogans urging Syrian President Hafez Assad to end the siege of Shatilla.

Shatilla's male population has been confined inside the camp for 10 months, when fighting between the Shi'ite Amal militia and Palestinian phase since the so-called "war of the camps" first started in 1985.

Meanwhile, the Lebanese Forces

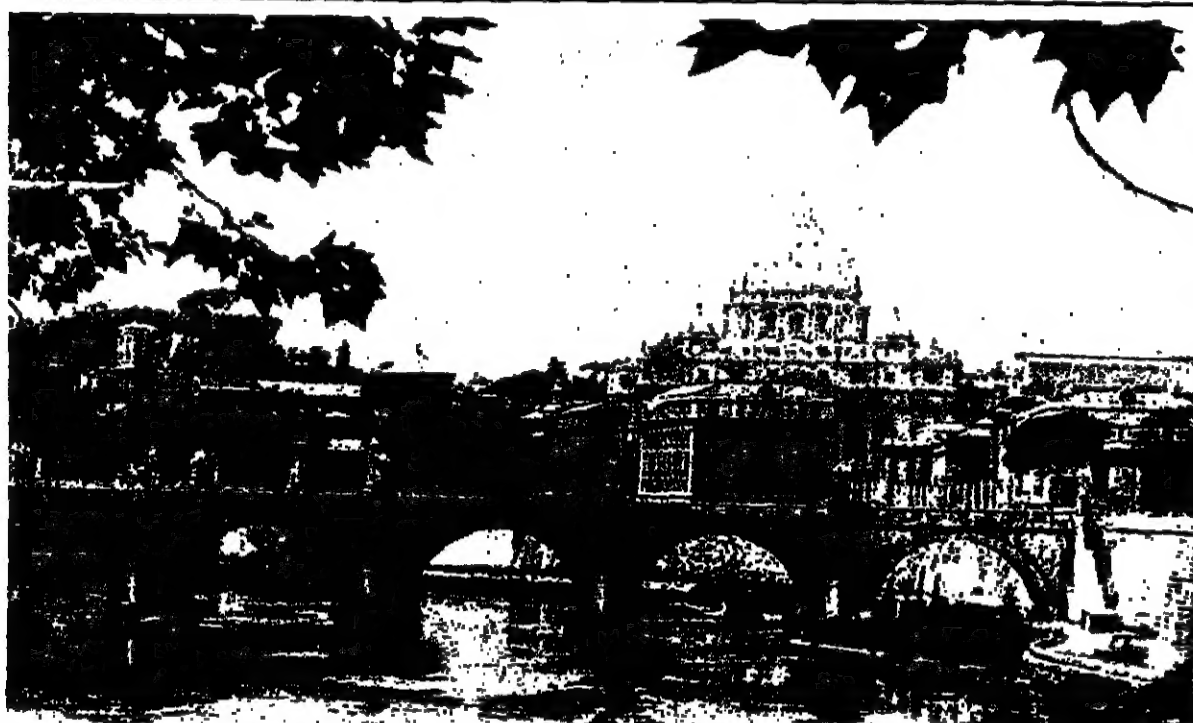
Christian militia has called for the fighters entered its third and fiercest formation of a new Lebanese government, independent of foreign influences, to "evacuate foreign forces from Lebanon."

The statement from the group said the expulsion of foreign powers and the resolution of the country's socio-economic crisis should be the two priorities for the new government.

Political sources say that President Amin Jemayel is seeking help from Arab and European leaders to try to revive ties with Syria.

"Jemayel needs at least the tacit support of (Syrian) President Assad if he is to form a government capable of ending Lebanon's civil war," one analyst said.

Lebanese-born Saudi businessman Rafi Hariri and West Germany's Bavarian leader Franz Joseph Strauss had been approached for their assistance, the sources said.



Looking downstream towards St. Peter's Basilica and the Ponte Sant'Angelo, the Tiber may look picturesque but scientists recently discovered hepatitis A in its murky waters and Romans now call the river 'an open-air sewer.'

'O Tiber, Father Tiber, to whom the Romans pray....'

Today, it's strictly out of bounds to the locals

ROME. — Sewage floats downstream, car bodies rust in the murky green water, hypodermic needles and human excrement litter the river banks — the Tiber has changed a lot since the ancient days when writers praised it for the whiteness of its waters.

The capital's historic river, criss-crossed by scores of bridges, may look picturesque from a distance but closer scrutiny soon reveals the rotting rubbish, graffiti-covered embankments and polluted currents that have earned it the label of "Rome's open-air sewer."

For most Romans, scared away as much by the stench coming from the water as by any fear of muggers, the Tiber is strictly off limits, and only the odd dedicated jogger or fanatical fisherman are to be seen venturing onto its banks.

Local inhabitants have resurrected a joke the 19th century Irish wit, Oscar Wilde, is reputed to have made about London's River Thames and claim that anyone who falls into the Tiber is more likely to die of poisoning than by drowning.

The local press, running short of controversial topics in the summer holiday season, has eagerly seized on the issue of the Tiber's pollution and hardly a day passes without an article debating how bad the situation is and what steps should be taken to clean up the river.

Council officials and academics frequently cite the Thames as an example of what can be done if the spirit is willing. The English river, once one of Europe's dirtiest waterways, teems with fish after local authorities launched an anti-pollution campaign in the 1960s.

The debate in Rome heated up recently after a team of Italian scientists carrying out tests on the Tiber's water announced they had succeeded in isolating the virus for hepatitis A, a disease usually associated with countries with poor sanitation.

The discovery led to shocked newspaper headlines and demands by members of the environmentalist Greens Party that regulations governing the use of the Tiber's water should be tightened up.

At the moment anyone who bathes in the Tiber or uses river water to irrigate vegetables which are then eaten raw faces possible prosecution. The Greens want the regulations changed so that from now on the river will not be used for irrigation of any sort.

Meanwhile, the provincial authorities are trying to establish just how dirty the Tiber is. Teams of local officials regularly tour up and down the river banks in small boats, taking notes on open sewers and factories which are illegally discharging their waste products straight into the water.

"Once we've worked out where the illegal discharges are coming from and what the most polluted areas are, then we'll carry out laboratory tests on the water and see what steps need to be taken," said Carlo Angeletti, from the provincial office responsible for Rome's waters.

There has been no shortage of plans to rehabilitate the river. One scheme proposes purifying the river's water by channelling the capital's sewage into a drain leading 10 km. out to sea, raising the river's water level to allow tourist boats to navigate into the heart of Rome, and building a subway under the Tiber to help ease the capital's congested traffic.

The Greens spokeswoman said, "It's an absurd idea. Pumping sewage 10 km. out to sea just means the currents will deposit it all back onto the beaches."

What could prove to be a final stumbling block for all the good intentions currently being voiced about the river's future may well be Italy's much-maligned bureaucratic system.

While Rome's politicians, journalists and officials bicker over the problem, the fishermen on the banks of the Tiber stand waiting placidly for the fish to bite. Who eats what they catch is anybody's guess.

(Reuters)

Kreisky makes a splash

By ILONA HENRY
Jerusalem Post Correspondent
VIENNA. — Former Austrian chancellor Bruno Kreisky has a big bear: Apparently hurt that "his" Socialist Party has left him on the shelf, he is trying to make a splash by harping on the question of "who initiated the disclosure of the Waldheim affair?"

President Kurt Waldheim has been accused by Jewish groups of covering up wartime Nazi activities. He denies the allegations.

In an interview with the Swiss paper, *Handelszeitung*, Kreisky claimed that an advisor to Fred Sinowatz, who succeeded Kreisky as chancellor in 1983, was in possession of material incriminating Waldheim as early as autumn 1985. In stating this, Kreisky is pouring oil onto already existing flames: A case is pending in which Sinowatz is suing journalist Alfred Worm, who said in an article that Sinowatz declared at a regional party convention in Burgenland in autumn 1985 that "something murky is going to show

up in Waldheim's past." Worm said he was told this by Otilie Matyssek, then a Socialist Party official, who has since been ousted from the party, for unrelated reasons.

Though Worm has so far brought several witnesses to court, none of those who were present at the Burgenland meet — except Matyssek — are able to recall the Sinowatz remark. Matyssek apparently noted in writing Sinowatz's statement.

There is only speculation about Kreisky's motives here. A vain man, those who know him well say he feels hurt that "his party" can survive without him and insulted that he was not informed about the Waldheim allegations earlier.

(For many years he served simultaneously as chancellor and Socialist Party chairman.)

He is also said to hold a personal grudge against Hans Pusch, Sinowatz's former aide who reportedly offered the Waldheim information to then UPI-journalist James Dorsey.



Israel Railways

Israel Railways Museum,
East Haifa depot, now open
Sundays, Tuesdays and Thursdays:
10:00 a.m. - 1:00 p.m.
Israel Railways
Museum Administration

BEZEQ The Israel Telecommunication Corp. Ltd.

Centralised Annual Vacation at Bezeq Corporation Business Branches

Bezeq business offices alone will hold their annual
centralised annual vacation from

August 17 until September 1, 1987

During this period the offices concerned will be
closed to the public.

At all other Bezeq units:
telephone repair service, information service "14",
repairs service "16", international service "18" and
all other corporation units, work will be conducted
during this period as usual.

In cases of emergency (e.g. connection or disconnection of telephones,
authorization of ownership transfer, etc.), one may apply in person or
by phone to the various Bezeq branches. All branches will have a limited
staff to deal with such requests.

All offices will be open to the public again on
Wednesday, September 2, 1987.

סוף שבוע החורף עיתון לאנשים חושבים

In This Weekend's Ha'aretz



THE HIT OF THE SEASON

Behind the scenes of the
"Aluvei Hahaim" production/ Michael Hamedel

RETURN FROM MECCA, A Journal
Atallah Mansour

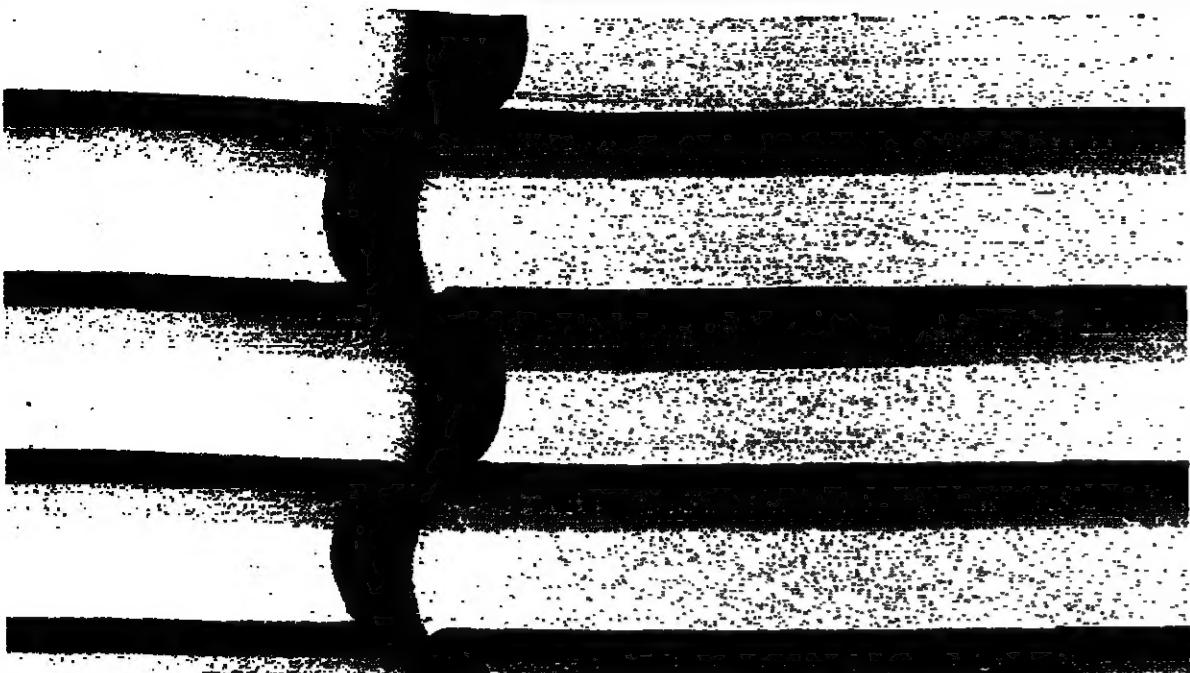
WHOSE CHILD ARE YOU?
A close look at adoption/ Rachel Sa'ad (Tel-Shir)

THEY AND US: ARABS IN
ISRAEL/ Sam Klayev

AN INFLATED BALLOON The Aids
Propaganda Battle/ Eyal Ehrlich

A. Schweitzer on the American embassy's visit • Ze'ev Schiff on cracks in
Concepts of Security • Yonatan Sherman investigates Dubek • Shaul Tadmor
on Anglo-Saxon Spirits.

Political corridors/ Akiva Eldor • The U.S. Connection/ Zvi Barbi • Whistle in
the dark/ Gershon Samet • Strong-bow/ Nehemia Streeter, Yehuda Shalom
and Yonatan Sherman • Kesset Rosh/B. Michael • The week's television/ Hadas
Rothbar.



(R. Milon)

On the shelf

There and then
Sraya Shapiro

OF ALL the premises which the municipal library, Sha'ar Zion, occupied during its 100-year existence, the most congenial was undoubtedly the second floor of A.A. Pollak's house opposite the Herzliya school, on Ahad Ha'am street. Pollak was a wealthy man with well-defined ideas on almost everything in public life and he used to air his views in columns in daily newspapers which he paid to have published. The library's premises were not large, but then it was not very extensive, still depending very much on donations.

Presiding over the library was a tall man with a showy beard, who had made a name for himself as Bible critic. Bialik, who was rather short of stature, used to say he hated to walk in the street with Avraham Kahane "because all the women looked only at him."

Kahane was not loath to have a chat with any knowledgeable visitor, and it was during his time that the library became a sort of club. Habitués were treated to tea, provided under the auspices of Zina Ditzengoff, the mayor's wife. And bread was supplied by local bakeries from what was left after a day's business.

It was during Kahane's tenure that Gavriel Cifrony, a boy who delivered bread, became involved with the Sha'ar Zion crowd. "For six years Kahane was my tutor, and the library my university," Cifrony writes. He became an avid reader.

Readers fought to get a copy of a foreign newspaper - in addition to Warsaw's *Haim* and *Moment*, the most popular were the Russian-language *Posledniye Yovosti* from Paris, and *La Bourse Egyptienne* from Cairo.

There were also concerts which the library patrons could enjoy, courtesy of Aharon Wengrenvitch's record shop on Rehov Herzl. "The readers at first staged protests, claiming the music disturbed them; but eventually they came to appreciate it, and fought for the better places on the balcony to hear the concerts."

THE LIBRARY regulars were a mixed group, mostly short on money but rich in ideas. One of them was Emmanuel Velikovsky, whose theories on astronomy and civilization aroused heated controversies when his books were published in the U.S., where he had settled.

Avraham Likerman, who lived near the sea, preached austerity in daily life. He worshipped Tolstoy.

and published, at his own expense, a pamphlet marking a Tolstoy anniversary. He also argued that Rabbi Gershon's ban on polygamy should be rescinded in order to foster aliyah.

A musician who played eight instruments in a local dance band, Yehoyakhin Shugersky, studied toads in his spare time. When professor Andrew Shugersky, of the University of Durham, died, *The Times* wrote that Darwin would have changed some of his theories had he been aware of Shugersky's observations of Panamanian toads.

Another zoologist was Mendel Gorochovski, a taciturn man. He changed his name to Gur-Nesher, as eagles were his preferred subject of study. He died in Venezuela while studying rare birds there.

Lev Bayevski was not a Jew, but a scion of a noble Russian family. He served in the Russian navy before World War I, happened to land in Palestine and became an ardent Zionist. His hero was Ze'ev Jabotinsky, and he helped Yirmiyahu Halperin to organize illegal immigration. His best friend was the poet Alexander Penn, whose views were definitely on the left; but they both liked a good drink.

Bayevski joined the merchant marine when World War II started. His ship hit a mine, and when Bayevski finally reached Haifa, he was exhausted and soon died.

Emil Grosser, who came to Tel Aviv after the failure of Bela Kuhn's uprising in Hungary, was a crazy about dogs. Few people cared to listen to him at the library. But when Grosser moved to the U.S., he became a founding father of the Museum of the Dog.

Another reader who did well in the U.S. was Samuel Spiegel. A former kibbutznik, Spiegel disappeared one day, to emerge, years later, as one of the biggest movie

producers in Hollywood. But he did not like being reminded of the Tel Aviv phase of his life.

Another American was the Hebrew poet Daniel Perski. "His heavy footstep and his walking stick gave him the air of an ancient prophet," Cifrony says. Perski was known for his quest for "dirty words," which he regarded as proof that Hebrew had become a living language.

ONE OF the quietest, less conspicuous men in the library was Yosef-Zvi Koltun. He passed for a left-winger in the Abud Ha'avoda party, and when incensed, he would speak with great gusto. He came from Russia, as did many other readers.

Everybody was stunned when Yehuda Arzi, then in the Palestine police, came into the library and arrested Koltun. It transpired that Koltun was secretly writing for *Enes*, the Moscow Yiddish paper which constantly exonerated Zionism. Ultimately, Koltun returned to Russia, where he was "liquidated" under Stalin.

Among the regulars were two quiet, elderly ladies, Goldfina and Frieda Robinson. They ran a puppet show in a shack behind the row of fashionable cafes on Herbert Samuel Esplanade.

They shocked the other readers one day when they loudly voiced their indignation on reading, in a German newspaper, that Puccini had written a new opera, *Turandot*. "He stole it from us!" was their claim. Another reader happened to be the local correspondent of the *Berliner Tageblatt*, and the story caused a sensation - and a lawsuit.

And there was Baruch Rozanel - a young man, a high school graduate, who was Tel Aviv's first Jewish thief. "He was a man of exceptional dexterity. During an earthquake in the summer of 1927, Rozanel, who happened to be in the library, left it by climbing down the walls. He refused to become a police informer. Eventually, he left his profession, changed his name and raised a family far from Tel Aviv."

"Sad to think," muses Cifrony, "that most of the bright young men who crowded in the Sha'ar Zion reading room did brilliantly after they went abroad."

Well, perhaps not so surprising. The yishuv was small, and terribly provincial. Its immediate problems could not be resolved by intellectual brilliance. But in the final analysis, those who stayed saved the nation.

TENNIS

Junior play kicks off

By JACK LEON
Post Sports Reporter

Boys and girls from Britain, France, South Africa, the U.S. and possibly Greece will join more than 250 local players at the Israel Tennis Centre's second Hirschfeld International Junior Circuit. Following qualifying competition yesterday at the ITC's Haifa courts, the three-tournament series moves into top gear there this morning.

While last summer's inaugural event was restricted to players aged 16-and-under, this time the entry has been extended to include competition in four age groups from 12-and-under to 18-and-under.

The circuit is sponsored by long-time tennis centre supporters Alan and Bette Hirschfeld of New York, who have contributed \$200,000 over a 10-year period.

The Haifa meet continues through Monday, under the direction of Danny Bercovitz. The series then moves to Ramat Hasharon and winds up in Jerusalem.

Mecir out at home

PRAGUE (Reuters). - Top-seeded Miroslav Mecir, the world's fifth-ranked player, suffered a humiliating first round defeat before his home fans in Czechoslovakia's first Grand Prix tennis tournament in 14 years.

Mecir was knocked out by unseeded compatriot Jaroslav Navratil 6-3, 5-7, 7-6 (8-6) for his second tournament loss in three days. Mecir dropped the final of the Austrian Grand Prix in Kitzbuehel to Spain's Emilio Sanchez on Sunday.

Mecir's loss was a second disappointment for Czechoslovak fans who rarely get to see Mecir perform in person. Last March, they saw him lose in four sets to Amos Mansdorf as Israel went on to win their Davis Cup tie.

In Los Angeles, second-seeded West German Steffi Graf and third-seeded American Chris Evert advanced to the third round of the \$250,000 women's tennis tournament with straight-set victories on Tuesday.

Graf beat American Terry Phelps 6-3, 6-2 and Evert defeated countrywoman Robin White 6-4, 7-5.

Other seeds advancing included fifth seed Helena Sukova of Czechoslovakia and seventh seed Gabriela Sabatini of Argentina. Sukova beat American Alycia Molton 6-2, 5-7, 6-3 and Sabatini defeated Nathalie Tauziat of France 7-5, 6-4.

In Montreal, second-seeded Stefan Edberg of Sweden struggled through to the third round of the \$375,000 men's international tennis tournament by beating Canadian Chris Pridmore 7-5, 7-6.

Fourteenth seed Tim Wilkison of the U.S. and 16th-seeded Australian Peter Dookan were eliminated by the unseeded players.

Wilkison, a quarter-finalist at last year's U.S. Open, fell to 26-year-old countryman Richey Reneberg 6-4, 6-4 in a second-round match while Dookan, who upset West German Boris Becker in the second round of Wimbledon six weeks ago, lost to Canadian Davis Cup player Andrew Panjaber 7-4, 2-6, 7-6.

SCOREBOARD

YACHTING. - New Zealand, led by its most consistent yacht, *Propaganda*, captured the prestigious Admiral's Cup, sailing trophy for the first time yesterday after placing second in the fastest, the final event in the five-race series. Britain finished second overall in the 16-metric competition, with Australia third.

RUGBY. - Philip Orr, the world's most capped prop forward, has announced his retirement from Rugby Union after playing 58 times for Ireland.

BASEBALL

Rookie making big waves

NEW YORK (AP). - Mark McGwire keeps making waves with a big swing and his latest home run rocked the biggest boat yet.

McGwire set an American League rookie record by hitting his 38th home run on Tuesday night in Oakland's 8-2 loss to the Seattle Mariners.

The record-breaker was a seventh-inning solo shot off Mike Moore at the Kingdom that hit the S.S. Mariner, a small boat mounted over the center-field fence.

"The sailor in that boat gave me the ball after the game," McGwire said. "I kept the bat and the ball for the Hall of Fame. It's not every day the Hall of Fame asks you to put something in there."

McGwire broke the AL record for home runs by a rookie set by Cleveland's Al Rosen in 1950. McGwire is now tied for the Major-League homer record for rookies established by Wally Berger of the Boston Braves in 1930 and matched by Cincinnati's Frank Robinson in 1956.

NATIONAL LEAGUE

The San Diego Padres, who have the worst record in the National League, have spent more than two months proving that they aren't the worst team.

The Padres, who lost 42 of their first 54 games, beat the Atlanta Braves 7-6 on Tuesday night for their seventh consecutive victory, their longest winning streak since May of 1985. San Diego's 34-25 record since June 4 is the best in the NL West in that span.



ROOKIE RECORD. - Mark McGwire, rookie first baseman for the Oakland Athletics, hits his 38th home run in the 7th inning to tie the Major League record for homers by a first-year player.

(Reuters telephoto)

AMERICAN LEAGUE EAST NATIONAL LEAGUE EAST

	W	L	Pct.	GB		W	L	Pct.	GB
Toronto	47	46	.503	—	St. Louis	69	43	.616	—
Detroit	44	46	.488	1 1/2	New York	64	49	.566	5 1/2
New York	44	48	.479	1 1/2	Montreal	62	50	.554	7
Minnesota	39	53	.427	7 1/2	Philadelphia	57	55	.509	12
Boston	33	59	.358	13 1/2	Chicago	57	56	.504	12 1/2
Baltimore	31	62	.333	16	Pittsburgh	50	63	.442	19 1/2
Cleveland	42	71	.372	25					

WESTERN DIVISION WESTERN DIVISION

	W	L	Pct.	GB		W	L	Pct.	GB
Minnesota	62	32	.660	—	Cincinnati	59	55	.518	—
California	57	36	.611	4 1/2	San Francisco	54	56	.491	1
Oakland	57	36	.611	4 1/2	Houston	53	57	.481	1
Kansas City	56	36	.605	5	Los Angeles	50	63	.446	8
Seattle	53	39	.574	8 1/2	Atlanta	46	63	.423	9
Texas	53	38	.581	7 1/2	San Diego	46	57	.447	12 1/2
Chicago	45	46	.495	15 1/2					

Tuesday's Games: Cleveland 6, Baltimore 3; Toronto 8, Boston 3; Detroit 9, Chicago 6; Kansas City 8, New York 5; Texas 7, Milwaukee 1; Seattle 8, Oakland 2; Minnesota 7, California 2.

Tuesday's Games: New York 6, Montreal 2; Philadelphia 9, Chicago 8; San Diego 7, Atlanta 6; Los Angeles 7, Cincinnati 4; Houston 7, San Francisco 3.

Scandals sour PanAm Games

INDIANAPOLIS (AP). - Eight Dominicans were missing from the Athletes' village on Tuesday at the Pan American Games and the head of the nation's delegation called them "deserters."

In Washington, the U.S. State Department denied a visa to a Chilean shooter, prompting condemnations from officials within the Pan American sports organization.

The missing Dominicans - all members of the armed forces - deserted here with the apparent intention of setting up home illegally in the United States.

Drugs once again raised their ugly head when Dr. Eduardo de Rose, president of the Pan Am Games medical commission, revealed that although more than 1,000 competitors would be tested - 300 more than in Caracas four years ago - the rules



JOY OF WINNING. - Seen in the pool seconds after winning the women's 100 m. backstroke, 16-year-old Silvia Poll of Costa Rica smiles. Poll has won three gold medals so far at the Pan American Games at Indianapolis.

(Reuters telephoto)

were not the same for different sports. Some federations insisted on random testing while others wanted only the medalists tested. De Rose said 70 per cent of medal winners would be tested, including all medalists in athletics.

SOCCER

Sinai shows up Rosenthal

Post Sports Staff

Moshe Sinai, fast becoming the top Israeli in Belgian soccer, showed up Ronnie Rosenthal in the first meeting between the two on European soil.

In the semi-finals of the Flemish Cup, Sinai, the former Hapoel Tel Aviv star, set up the winning goal in his club Beveren's 1-0 home win over Rosenthal's club, F.C. Bruges.

In his first season abroad, Sinai played the entire 90 minutes, drawing accolades from his manager and teammates.

Rosenthal, on the other hand, now in his second season with Bruges, only came on as a substitute after 30 minutes.

Beveren's second foreign import, France's Guy Francois, scored the game's lone goal, a minute into the second half as he latched on to a neat pass from Sinai into the penalty area.

BASKETBALL

Youth score first victory

Israel's youth team scored their first victory in four tries at the European Youth Championships in Hungary, hanging on to defeat Turkey 85-83 on Tuesday night.

Israel led for most of the game, but Turkey pulled within two points in the final minutes before missing two foul shots. Eyal Labe then hit a big basket to clinch the win.

English by any other name

William Ward/London

with a popular variety shown on Italian TV, "La first lady di Canale 5."

"Leader" often replaces *Fuhrer*, *chef* or *capo*, but it has also turned into an Italian adjective. How do you deal with an investment company which describes itself as "an holding leader"?

Italy is also responsible for the change in the meaning of the formerly often blue-collar status "manager" to signify now only a top executive. This upgrading, derived from an attempt to conjugate the word management, is spreading throughout Europe. And all over Europe, any woman who poses in front of a camera for a living is a "topmodel" (one word).

Another example of two words getting spliced is the Euro variant for the media, "il" or "le Massmedia." The Germans, who have succumbed more than most to the charms of the neo-James Bond world of Sixties Pleasurepeak, are very fond of "topsecret" and "die Highlife."

Words like "top," "in," "club" and "international" constantly recur. There is something poignant about looking through a shop window proclaiming itself Die In-Club International Top Friseur, and seeing a row of stolid Nuremberg oldsters waiting for their shampoo and set.

Sometimes international loanwords are truncated rather than fused. You can serve yourself petrol in France at "le self," while in Italy you can dance in "un night."

In Italy, a man needing to hire a morning suit or tails asks for "un tight" or "un frock" (written "frac").

One of the spinoffs of British soccer violence has been the adoption of the word "hooligan" by European papers to denote all British football supporters.

Meanwhile the British are mangling other languages. We and the Germans think the French have "panache" and the Italians "brio" but neither nationality would know what we are talking about. The

Frenchman would think of hat plumes, the Italian only of music. And we might be equally nonplussed by their frequent use of "le fairplay" and "il self-control." To us, they're so much part of the culture, it's odd to name them.

Why are we so sure that ordinary Russians pepper every sentence with *glamour* or *apparatchik*? And why must we always insist on dining "al fresco," when the Italians nearly always say "al aperto"? In Italy, "al fresco" means in prison.

(London Observer Service)

SPORTOTO FORECAST

	single	para
1. Arsenal v Liverpool	x	1x2
2. Charlton v Notts Forest	x	2
3. Chelsea v Sheffield W	x	1
4. Coventry v Tottenham	x	x2
5. Derby v Luton	x	1
6. Everton v Norwich	x	1
7. Oxford v Portsmouth	x	1
8. Southampton v Man U	x	x2
9. Watford v Wimbledon	x	1x
10. West Ham v QPR	x	1
11. West Brom v Oldham	x	1x
12. Ipswich v Aston Villa	x	1
13. Birmingham v Stoke	x	x
14. Man City v Plymouth	x	1

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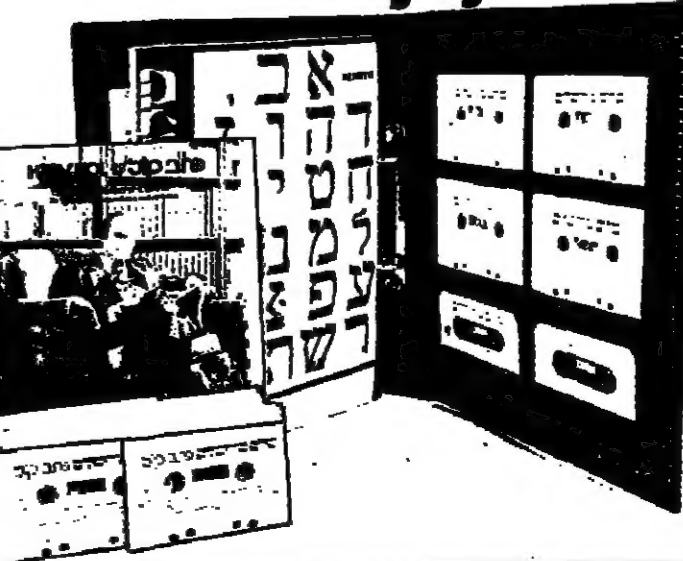
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Doubts about German economy

BOON (AFP). — The news has been mixed on the West German economy lately, as unemployment and inflation both rose in July but the government indicated it expects a much better performance during the second half of the year.

The worst news this past week was undoubtedly the announcement by the Federal Labour office in Nuremberg that the number of unemployed workers in July had increased to 2.18 million, 8.7 per cent of the work force, from 2.1 million in June or 8.3 per cent, and 2.13 million, or 8.6 per cent, in July last year. The office ascribed the jobless rise to the influence of the vacation season and economic sluggishness.

In any case, the development highlighted the uncertainty about growth prospects this year, despite some recent optimistic statements. The federal government called on business and trade unions to "adjust personnel planning to improve economic developments... and use the job possibilities involved in flexible working hours, reduction of avoidable overtime and creation of extra-time jobs."

The increase in unemployment follows weaker industrial production figures for June, even though the average for May and June taken

together was up from the previous two months, one reason for some government optimism on the near term. The economy declined during the first quarter of the year due primarily to a very cold winter, but then moved up.

In another development, the annual inflation rate also rose sharply in July, to 0.7 per cent on a year-on-year basis compared with 0.2 per cent in June. However, the price level was actually unchanged in July from June, and the Federal Statistics office said the jump in the annual inflation rate actually reflected a sharp drop in prices in the year-earlier period.

Meanwhile, Otto Schlecht, state secretary at the Economics Ministry, said the first half of the year had brought growth of about 1.5 per cent in real terms. He noted that gross national product would have to rise by 1 per cent in real terms in both the third and fourth quarter from the year-earlier quarters to reach the expected growth of 1.5 per cent for the whole year. He said this level should be reached, even though many forecasters expect a lower performance. The government is aiming for about 2.5 per cent growth next year.

Finance Minister Gerhard Stol-

tenberg was also optimistic about the general economic outlook, noting that West German exporters, who had been hit by rising Deutschmark, were now operating under more favourable conditions in view of the recent strength of the U.S. dollar. He added that he expected the dollar to remain firm against the mark, "at least for some time," and that the "Louvre agreement" of last February, which aimed at promoting currency stability, "belongs to the year's most important successes."

He said there were more foreign orders in some sectors, while domestic demand is also developing well. He agreed with official projections in saying growth should be 2.5 per cent next year.

The Bundesbank, the West German Central bank, reported last Thursday that the country had a surplus of 20 billion marks in its balance of payments for the first half of the year, a dramatic improvement from the 5.9b. mark deficit for the corresponding period last year. The current account balance was in surplus by 38.6b. marks for the period, against 35.1b. marks for the first half of the year.

The trade balance showed a record surplus of 55.5b. marks for the first half, against 50.7b. marks for

the first six months last year.

Observers commented during the last few days that the government's emphasis on growth lately seems to show it is still refusing to adopt measures to stimulate the economy, despite pressure from Washington, particularly, to do so to help the U.S. trade balance and the world economy generally. State Secretary Schlecht, for example, commented that the first half growth of 1.5 per cent "is nothing to be ashamed of."

The organization for Economic Cooperation and Development warned last month that the outlook was unsatisfactory for the West German economy, and suggested bringing forward a package of tax cuts planned for 1990. But actually, there are suggestions that Bonn may be backing away from the original plan. Some members of the ruling coalition have suggested postponing the proposed tax cuts of 44b. marks to 1992. Support for more vigorous measures in the Economics Ministry appears weaker now, because government deficits due to slower growth loom larger.

The Finance Ministry projects a cumulative deficit over the next five years of 113b. marks, 20b. marks more than the projection of a year ago for a five-year-period.

THE TAX BURDEN/Jeff Broide

Approved enterprises

The Law for The Encouragement of Capital Investments grants various benefits to approved enterprises in the form of loans, grants and tax benefits, particularly with income tax. Recently, certain changes have been introduced that enable these approved enterprises to enjoy greater income tax benefits, but at the expense of forgoing the grants and/or loans.

Applications for approved status are dealt with by the Industrial Development Bank and certain departments of the Ministry of Industry and Trade. The criteria for granting approval include export and other general

If an approved enterprise selects alternative tax benefits, it is exempt from taxes on undistributed profits for a period contingent on where it is located.

marketing potential, employment opportunities and general economic soundness.

Where the approved enterprise has local shareholders, income tax benefits are granted for seven years, starting as of the first year in which the enterprise shows taxable income, that is a profit. However, the authorities don't have unlimited patience: No more than 14 years can elapse from the date "approved" status is granted or 12 years from implementation of the investment programme before the tax benefits expire. The period of benefits for distributing dividends from approved enterprises is seven years, but the rights continue for an additional 12 years after the end of this period so long as the dividends are distributed out of the profits earned within the original benefit period.

Where the approved enterprise has foreign shareholders, then the period for the tax benefit for company tax is 10 years, and there is no time limitation on the tax benefits on dividend distribution. It should be borne in mind that in the latter case the benefits apply to investment applications that were approved after April 1, 1985. A tax table indicating the different tax benefits accompanies this column.

An approved enterprise may now select alternative tax benefits on condition that it surrender its right to receive government grants. If it does so, the company is exempt from taxes on undistributed profits for a period contingent on where it is located: In a development Zone A area it is 10 years; in a B Zone, six years; and elsewhere, two years. For the balance of the benefits period, these enterprises continue to enjoy tax benefits of a regular approved enterprise.

It must be stressed that this exemption applies only to non-distributed income. Therefore, where a company does distribute a dividend thereafter, it will have to pay, in addition to the regular 15 per cent income tax on dividends, the relevant company taxes to which it would have been liable but for this special provision. These benefits are available only to companies and the alternative benefits must be applied for when making the initial application for the investment approval.

A recent proposed amendment to the Law for the Encouragement of Capital Investments seems to encourage the setting up of residential buildings for rental purposes. At least 50 per cent of such buildings must be devoted to residential purposes, and the right to tax benefits under such amendment is contingent on the flats being leased for residential purposes at least 10 out of the 12 years after the completion of the building. In addition, none of these units can have been sold for a period of 10 years from the building's completion.

The proposed tax benefits include a depreciation rate for tax purposes of 10 per cent on the residential apartments and tax benefits similar to those provided for other approved enterprises.

On the sale of the building or any part of it, the inflationary portion will be liable to income tax at 10 per cent and the balance at the rates as stipulated above — that is in accordance with other approved enterprises. In addition, certain other benefits covering building licenses and property taxes will also be available in certain circumstances.

It must be stressed that this amendment is yet in the proposal stage and it should be treated as such.

The writer is a Certified Public Accountant (Israel). Questions may be addressed to him c/o The Jerusalem Post.

TAX BENEFITS FOR APPROVED ENTERPRISES

	Approved Enterprise with Foreign Shareholdings				Local Shareholding Company	
	Percentage Foreign Holdings:					
	25-49 %	49-74 %	74-90 %	90-100 %	%	%
Company Tax	25	20	15	10	25	40
Income Tax	0	0	0	0	0	5
Total Taxes Payable on Undistributed Profits	25	20	15	10	25	45
Income Tax on Dividends	11.25	12	12.75	13.5	11.25	10
Total Taxes Payable on Distributed Profits	36.25	32	27.75	23.5	36.25	55



Some chills, no thrills, at the cinema as the price of a ticket jumps 33%

By ANDREA KING

For The Jerusalem Post

The cost of a ticket to the cinema has jumped by 33.3 per cent in the last eight months, although the cost of living rose only 13.3 per cent in the same period. That works out to an 18 per cent rise in real terms.

Government price controls on movie tickets were lifted in June 1986, resulting in fast-rising prices that have shocked some cinema fans at the box-office. "The prices have been going up alarmingly fast," said one Jerusalem resident. "It's not really worth it to pay so much for an hour and a half of entertainment. Besides, for two people including tickets, transportation and coffee afterwards costs NIS 25 and that's supposed to be a cheap evening out."

The prices in most movie theatres are now regulated by the Association of Cinema Owners. There are no standard prices: From city to city, and even from theatre to theatre,

prices vary. According to Miriam Hochman, manager of the association, "Maximum price limits are set which members of our association abide by."

She claims that the increase of the past year is directly linked to the cost of living index, despite figures to the contrary. There are approximately 190 commercial movie screens in Israel and 160 belong to the Association of Cinema Owners. Twenty-four more belong to Israel Theatres Ltd. and abide by the association's standards. A few are independent; and in these prices are lower.

The association divides films into two categories to determine prices. The first category includes all foreign films of under two hours. In Tel Aviv, the maximum ticket price allowed for this category of films is NIS 6.50 and in Jerusalem, NIS 6.

The second category includes foreign films of over two hours and all Israeli-made films. In Tel Aviv,

the maximum ticket price is NIS 8 and in Jerusalem, NIS 7.5.

According to Yoram Golan, director of the Ministry of Industry and Trade's Film Centre, tickets to Israeli-made films are 25 per cent more expensive than the shorter foreign films because, "even the best foreign film imported to Israel costs the distributor here \$10,000 to \$20,000. But even the loudest Israeli film costs the makers, who distribute it, a minimum of \$200,000 to produce and on top of that, there is the added cost of making copies here which is enormous, thus they have to charge more."

The Association of Israeli Film and Television Producers appealed to the cinema owners association a few years ago for the special price increase for locally produced films and it was granted. "Films with running times longer than two hours must also have a higher price due to the fact that we have to pay the workers overtime," Hochman said,

Aging population may cause job surplus

By DAVID RESS

LONDON. — Before long, there may not be enough young people in the industrialized world to take care of the old, labour market analysts fear.

People are living longer. This, along with lower birth rates in industrial countries, will soon translate into a new kind of jobs crisis: Too many jobs for too few people.

"It is likely to create a shortage in all the caring professions — nursing, physiotherapy, occupational therapy and so forth — within the next five to 10 years," says Ken Wright of the University of York's Centre for Health Economics in Northern England.

U.S. hospital officials already have a record of coming to London to recruit nurses. In the U.S., some hospitals pay finders fees when new nurses are hired.

Japan's Ministry of International Trade and Industry wants to help Japanese pensioners retire abroad, and hopes to start sending elderly Japanese overseas by 1992.

Retirement colonies overseas would cost Japanese firms less to build than local ones, and countries from Greece to Australia have welcomed the idea of Japanese senior

citizens coming — and spending their pension cheques.

The International Labour Organization expects that the number of people in industrialized nations over 60 years old and not working will rise to 290 million by the year 2025 from 156 million in 1985. The 1950 total was 60 million.

But the number of working people could decline by then, largely because the so-called "baby-boomers" of the postwar years often opted for smaller families.

"It means that social welfare will weigh heavily in the generations at work for years to come," the UN agency said.

Administrators of social security systems in Europe, North America and Japan already worry about the financial burden.

In Britain, the ratio of people now paying social security taxes for every beneficiary is 2.3 to one, but by 2035 it will fall to 1.6 to one.

In the U.S., retired people are expected to comprise 15.2 per cent of the population by the year 2020, up from 9.1 per cent last year, while Japanese pensioners will account for 40 per cent of the population by 2015, compared with 13 per cent last year.

But the crunch will not come until the baby-boomers retire in the next century. The shorter-term problem is finding the young people to take care of all the elderly already in need, says Wright.

"With a falling birthrate in the late 1960s there will be a smaller number of people to do these jobs, while the demographic peak for the very old, who require a lot of care, is still to come," Wright says. The fact that many of these jobs are low-paying has not made them particularly attractive, he said.

Unemployment rates throughout the industrial world may be at historically high levels — from 3 per cent in Japan to 13.5 per cent in the Netherlands — but many young people feel they have better options than hospital or nursing home jobs.

They will have even more choice in the future, says Julian Le Grand of the London School of Economics.

"In the longer run, the question is whether there are going to be enough workers of any kind."

In looking at the same figures that worry social security administrators, Le Grand says he believes industrial nations will face a major labour market crunch in the next century.

"There will be too much work for people to do," he said.

So far, says Le Grand, industrial countries have not given much thought to population policies to boost work-forces, although West Germany is moving to increase family allowances.

Neither are immigration policies likely to change soon — in fact, the so-called *gastarbeiters* (guest workers) from Yugoslavia and Turkey who work throughout Europe find themselves less welcome these days.

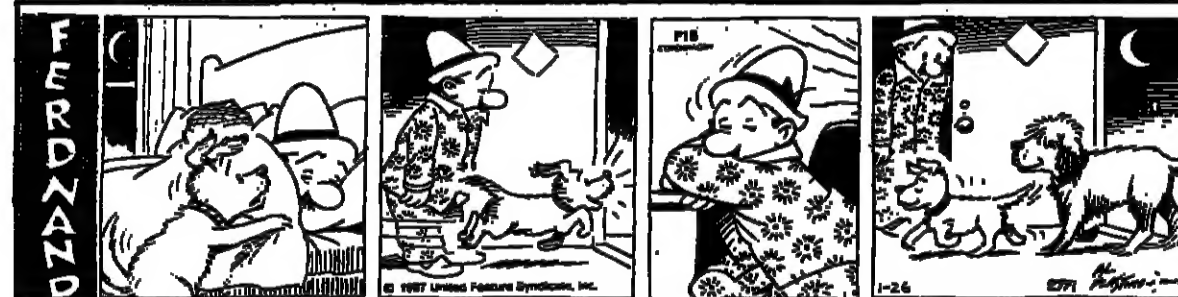
And U.S. officials remain concerned by the numbers of Mexicans and Central Americans illegally entering the country.

But government policies towards retirement may be changing. In the U.S., the normal age for pensioners to receive full Social Security payments is rising from 65 to 67, and those retiring early, at the minimum age of 62, will be paid less.

In Canada, the government is urging a flexible approach to retirement.

Le Grand sees these as part of a trend towards mobilizing what he calls the "young-elderly" or people more than 65 years old who are still fit and able to work.

(Reader)



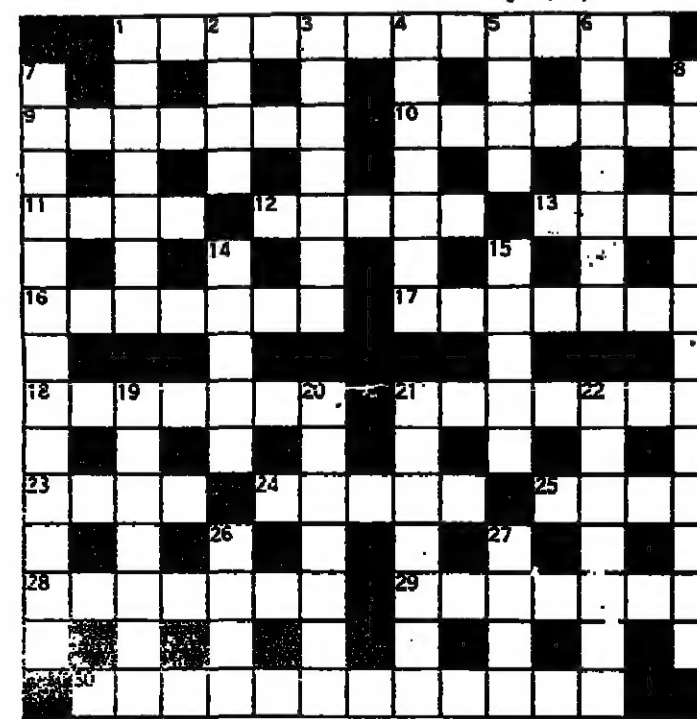
CROSSWORD

ACROSS

- Where Cain went off to sleep (3,4,2,3)
- After work journalists take down the spirits (7)
- Conduct a musical work of note (7)
- Have an inclination to be a cad (4)
- Prue's exchanged the money (5)
- Did love drive her to death? (4)
- Lightly cooked piece of food (7)
- Knocking back gin has a drawback—it makes one tight (7)
- Mange to write poetry in Old English (7)

DOWN

- Overclothes for one in the fast lane (3,4)
- A garden in Avon (4)
- Attack Jonathan's father in a way (7)
- Calts for us to amend our wicked ways? (5,2)
- Cooked pie given to French priest of refined taste (7)
- Teaching union's crazy (4)
- Save a tyre for emergency (5)
- Look this way and that (4)
- Feeling under the weather—that's the long and short of it (3,4)
- What the second-hand car dealer is trained to arrange (5-2)
- Be fired from work as a result of a new deal (3,4,5)
- Overclothes for one in the fast lane (3,4)
- A garden in Avon (4)
- Attack Jonathan's father in a way (7)
- Calts for us to amend our wicked ways? (5,2)



Setting wage over a pound makes sense (4)

- Qar I can reshape into a childish little instrument (7)
- Surprisingly its citizens regard it as their fatherland (6,7)
- Support the giving of aid to procure more food (8,7)
- A mathematical scale is lower (5)
- A profit is made once more (5)
- Understanding is shown in an intelligent enterprise (7)
- The cost of settling ten writers in the East End initially (7)
- Eric gives accommodation to a traitor, but it's quite irregular (7)
- Try to cut down, but in vain (7)
- Company doctor in Northern Italy (4)
- Couple of fruit, we hear (4)

Yesterday's Solution

DOWN: 1. Chukker, 5. Weigh, 8. Jazzy, 9. Portia, 10. Alaskan, 11. Humus, 12. Active, 14. Asphy, 17. Model, 19. Arsenal, 22. Ransack, 23. Owing, 24. Roost, 25. Topknot. DOWN: 1. Cobra, 2. Upstart, 3. Kayak, 4. Repeat, 5. Warship, 6. Idiom, 7. Honesty, 12. Admirer, 13. Valiant, 15. Tension, 16. Market, 18. Dingo, 20. Scoop, 21. Light.

QUICK SOLUTION

- ACROSS: 1. Chukker, 5. Weigh, 8. Jazzy, 9. Portia, 10. Alaskan, 11. Humus, 12. Active, 14. Asphy, 17. Model, 19. Arsenal, 22. Ransack, 23. Owing, 24. Roost, 25. Topknot. DOWN: 1. Cobra, 2. Upstart, 3. Kayak, 4. Repeat, 5. Warship, 6. Idiom, 7. Honesty, 12. Admirer, 13. Valiant, 15. Tension, 16. Market, 18. Dingo, 20. Scoop, 21. Light.

QUICK CROSSWORD

ACROSS

- Husky
- Robber
- On high
- Reespade
- Wrenching tool
- Genuine
- Auditory organ
- Piling
- Uncomplicated
- Tiny child
- Nobleman
- Copy
- Base
- Drive out
- Wear away
- Designed

DOWN

- Funeral carriage
- Alligator pear
- Devil worshipper
- Snare
- Bury
- Agriculturist
- Hard look
- Military unit
- Sporting dog
- Study for exams
- Wear
- Pampered
- Musical composition
- Skilful

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Jerusalem: Hadassah Ein Karem (pediatrics, ophthalmology), Bikur Holim (internal, E.N.T.), Shaare Zedek (obstetrics, surgery, orthopedics). Tel Aviv: Rokeh (pediatrics), Ichilov (internal, surgery). Netanya: Laniado.

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100

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102

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Beersheba 74767 Netanya *223333
Carmiel *988555 Netanya *23333
Dan Region *781111 Petah Tikva *923111
Eilat 72333 Rehovot *451333
Hadera *22333 Rehovot *42333
Haifa *512223 Safad 330333
Hatzor 935333 Tel Aviv *5480111
Holon *03133 Tiberias *730111
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Eram - Emotional First Aid, Tel. Jerusalem 227171, Tel. Aviv 5461111 (children/youth 03-261113), Haifa 672222, Beersheba 418111, Netanya 35316.
Rape Crisis Centre (24 hours), for help call Tel. Aviv, 234819, Jerusalem - 245554, and Haifa 080111.
The National Poison Control Centre at Eastern Hospital, phone (04) 529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433000, 03-433000 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

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Progress at parley yesterday

Kibbutz debt pact: 3 hurdles

By ANDY COURT
and AVI TEMKIN
Jerusalem Staff

The question of whether the government will guarantee a portion of the kibbutzim's rescheduled loans so that they can borrow more money for capital improvements has become one of the latest sticking points in the negotiations over the aid packages of the moshavim and kibbutzim.

Foreign Minister Shimon Peres, Finance Minister Moshe Nissim, Agriculture Minister Arye Nehamkin, and Bank of Israel Governor Michael Bruno emerged from a meeting last night in which progress was reportedly made, but at least three main problems still remained unsolved.

The first issue is whether the government will guarantee one-third of the NIS 250 million in United Kibbutz Movement debts due to be rescheduled. The banks have said they will only allow UKM kibbutzim to take out new loans over and above those included in the aid plan if the

government provides such a guarantee. The Treasury, however, has so far refused.

The issue is important because the kibbutz economy is a developing one, whose growth will be irreparably stunted if new lines of credit are not opened, UKM Secretary Aaron Yadin said last night.

The second problem concerns some NIS 30m. in debts of the UKM's 19 weakest kibbutzim. These debts must be wiped out, but for the moment it's not clear where the money will come from.

The banks have reportedly agreed to erase NIS 80m. more than he'd earlier consented to in the Ravid committee plan, of that NIS 80m., NIS 50m. would go to the moshavim and NIS 30m. to the UKM's weakest kibbutzim. But these kibbutzim have about NIS 60m. in unserviceable debts, leaving another NIS 30m. open to discussion.

The third problem revolves around who will pay some NIS 120m. in debts of the moshav purchasing organization. Under the

Ravid committee plan, the moshav members would repay these debts based on their ability. But, under the plan approved by the Knesset Finance Committee, all of the purchasing organizations' debts were to be wiped out.

Nehamkin yesterday proposed that the moshavim take the debt upon themselves in order to expedite implementation of the aid plan, according to Nehamkin's spokesman, Naftali Yaniv.

In addition to these problems, there is the issue of whether the Treasury will guarantee some portion of the moshavim's rescheduled loans. The Finance Ministry refuses, the banks continue to make their demands and the complicated negotiation process lingers forward.

Nehamkin told *The Post* last night that the special government administration that has been formed to implement the moshav-aid plan will begin work next week. The rescheduling of moshav loans will begin, even though a final agreement has not yet been reached, he said.



TAKING STOCK. - Floor traders at the New York Stock Exchange, where profit-taking carried prices downwards yesterday, on lower volume. The calm following two days when the Dow Jones Industrial Average vaulted 88.48 points to 2680.48 - a record two-day leap to a record high. Details on yesterday's trading appear on this page under New York Financial Markets. (Renter)

Scitex narrows quarterly loss

By KEN SCHRACHTER
For The Jerusalem Post

TEL AVIV. - Scitex Corp. has taken a further stride towards profitability by posting a positive operating income for the second quarter of 1987 and a 28.5 per cent increase in revenues versus the same period a year ago, according to figures released yesterday.

In announcing a narrowed quarterly net loss of \$2.47 million, or 23 cents a share, compared with \$9.87m., or 90 cents a share a year ago, the Herzliya-based firm reported a settlement in a patent infringement suit and continued shifts in executive personnel.

Scitex tentatively agreed to pay \$1 million over five years to a West German competitor, Dr. Ing. Rudolf Hell GmbH, and both firms agreed to dismiss their respective patent claims pending in U.S. District Court. Hell had charged that Scitex America infringed on its U.S. patents covering an apparatus for making colour separations used in graphic arts photoplotters.

Scitex also disclosed that Corporate Treasurer Giora Bitan would be

appointed corporate vice president-finance, a post being vacated by Amnon Neubach.

Company President Ephraim Arazi said Neubach was leaving Scitex for "personal reasons" and his departure was unrelated to the resignation this spring of another executive, Gerald Dogon, chief financial officer and executive vice president. Some of Dogon's responsibilities had been assumed by Neubach.

Arazi cited cost containment, such as a 6 per cent decrease in general and administrative expenses versus second quarter 1986, as a reason for the company's improved performance.

"If you look at our turnaround, you'll notice we held up our general administrative expenses and our revenues are inching up all the time," he told *The Jerusalem Post*. "Cash flow in the quarter and the half year was balanced, so we're moving up to a position of profitability."

For the first half of 1987, Scitex posted a net loss of \$7.4m., or 66 cents a share, on revenues of \$70.6m., compared with a net loss of \$21.8 million, or \$2.00 a share, a

year earlier.

At the end of the second quarter, Scitex sold its 50 per cent interest in the money-losing Contex Graphic Systems Inc. subsidiary to its partner in the joint venture, Continental Can Co. Arazi said the move was designed to focus the company on its core business.

Scitex revenues for the second quarter were \$38.5m. versus \$29.9m. for the same quarter of 1986 and \$32.1 million for the first quarter of 1987.

Net research and development outlays, important for a high-technology company like Scitex, were \$1.9m., an increase compared with \$1.6m. for the first quarter of 1987, but well below the \$3m. per quarter averaged in 1986. The company reported, however, that expenses were trimmed by \$290,000 as a result of accounting changes and \$150,000 by "outside participation in a development project."

A major boost for the company's revenues came in the area of service, where Scitex earned \$6m. in the second quarter compared with \$3.9m. for the same period of 1986.

Outlook is bearish in wage talks

By JEFF BLACK

The public-sector wage talks resume this morning in Tel Aviv following Monday's agreement between the Treasury and Histadrut to hold negotiations for a one-year wage deal.

But today's talks between Histadrut trade union department head Haim Haberfeld and the Treasury's chief wage negotiator, Hillel Duda, are not expected to lead to any breakthrough.

Finance Minister Moshe Nissim has already said he would not grant an across-the-board pay rise in return for a one-year deal as the Histadrut is demanding. He is also said to be opposed to the Histadrut's call for a five-year work week in the public sector.

Haberfeld, meanwhile, is currently in dispute with Israel Shipyard's receiver Amram Blum. A discussion on the yard's future had been scheduled for later today, but Blum announced yesterday that he had cancelled it.

Haberfeld refused to accept this and yesterday demanded that both Blum and the yard's managing director, Ze'ev Almog, attend today's discussion. Haberfeld accused "certain interested parties," which he refused to identify, of working behind the scenes to try and close down the shipyard.

Bezek workers call 24-hour strike today

Post Economic Staff

Workers at Bezek, the public telecommunications company, are staging a 24-hour walkout today, beginning at 6:00 this morning.

Service on the 14 and 16 lines, information and repairs, respectively, will be unavailable and all Bezek offices will be closed. Phone installation appointments are cancelled and television service could be as well, if repairs are required on television lines.

However, the international operator, number 18, will continue to work today.

The strike, the first in Bezek's four-year history, is over what union heads contend was an uncalled for insult to a worker. Israel Radio reported last night that Bezek executive Tzvi Amid had got into an argument with an unidentified worker and decided to discipline him, sending a memo to the works committee.

Yehzekel Shefer, head of the works committee, said workers were demanding that the disciplinary action be rescinded and that management issue an apology.

"There is a misunderstanding between management and us," he told Israel Radio. "After four years of quiet, they must remember that they cannot do anything they want."

2nd accord on Elscint debts due soon

By PINHAS LANDAU

The prolonged wrangle over the terms of a second debt rescheduling between Elscint Ltd. and its creditor banks is almost over, *The Jerusalem Post* has learned.

Under the proposed agreement, the banks will write-off long-term loans of some \$25 million-\$30m. This will give the financially hard-pressed medical-imaging company the leeway to eliminate several areas of activities which produce losses of low profit.

Once the agreement is completed and signed between Elscint, its parent corporation Elron Electronic Industries Ltd. and the seven Israeli banks that are its creditors, Elscint's

auditors will be able to complete the company's audited accounts for the year ended March 31, 1987.

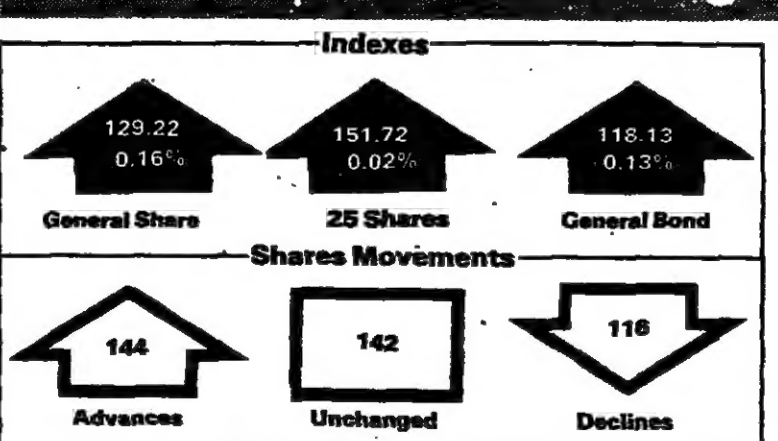
These are expected to show a loss, although a much smaller one than the record-breaking \$116m. the company notched up in 1985/86. Elscint's sales are believed to have risen significantly in recent quarters, and the operating losses are on a clear downward trend.

The banks, faced with this situation and the prospect of seeing all their loans to the company written off, accepted the need to make a further partial write-off in order to give Elscint the time to complete its recovery.

The largest lender in the banking

consortium is Bank Leumi, with Israel Discount Bank and Bank Hapoalim having roughly the same degree of exposure. These creditors comprise the bulk of the company's loan obligations, with several smaller banks, including United Mizrahi Bank and First International Bank, involved to a lesser extent.

Tel Aviv Stock Exchange



Selected Prices				
Name	Price	Volume	NIS	% change
Amir	15400	40		+1.0
Asi	402	341		-3.8
Argam	585	2734		-0.8
Argam	14431	70		-0.8
Delta Galil	2480	2185		+1.6
Lev	3800	408		+5.8
Ligat	300	367		-
Polytec	1601	250		+0.1
Global Sublime	2220	1607		+0.8
Union 0.1	8770	408		-1.7
WorkCable	418	8163		-1.8
Is. Can. Co. 1.0	6380	230		-
Zion Cable 5.0	1320	107		-
Packer Steel	2536	350		+0.8
Amir	124.4	108		-0.8
Anyt	34250	110		-
Chal Electronics	2340	3321		+2.1
Spectrol 1.0	1480	137		+2.1
T.A.T. 1.0	1070	258		+2.9
V.P. Clal	212	10917		+2.9
Zion Hold. 1.0	670	182		+1.0
Agan	1708	410		+1.0
Alleson	2214	145		+1.0
Gal Indus. 1.0	920	337		+4.0
Fertilizers 0.1	4138	30		+1.2
Hafsa Chem.	844	8881		-
Paritex	3900	738		-
Keter	265	10513		-1.5
Koor p.	10720	798		-2.0

Commercial Banks				
Name	Price	Volume	NIS	% change
Bank Leumi	21700			-
Marikim 0.1	1908	527		-2.1
General non-arr.	19710	27		-0.8
FBI	8880	1673		-0.8

Commercial Banks				
Name	Price	Volume	NIS	% change
Bank Leumi	103850	408		-0.0
Union 0.1	77702	116		+0.8
Discunt	13200	86		-0.1
Mitral	42830	586		+0.8
Hapoalim p.	10740	1141		+0.1
General 1.0	17188	8		-0.8
Leumi 1.0	4480	1407		-
Leumi 100.0	6888			-
Fin. Trade	6888			-

Mortgage Banks & Finance				
Name	Price	Volume	NIS	% change
Leumi Mort.	8880	159		-
Dev. Mort.	2580	500		-
Mitral 1.0	2880	250		+4.7
Tefaher p.	23000	84		-
Mifal p.	8117	42		-1.2
Leumi Ind.	12800	108		+0.8
Clal Leasing 0.1	20338	10		-2.8

Insurance				
Name	Price	Volume	NIS	% change
Amir 0.1	1113	185		-5.8
Phoenix 0.1	764	382		+0.8
Hafsa Indus. 1.0	9630	20		-0.8
Mitral 1.0	1222	8		-0.8
Sahar	400	8221		-
Securities	1170	155		+1.7
Zion Hold. 1.0	6888	12		-0.1

Trade & Services				
Name	Price	Volume	NIS	% change
Intergrate 1.0	3050	154		+1.7
Med. Ent.	985	1150		+1.5
Crysal	818	1959		-7.8
Lightbridge 0.1	675	198		+1.7
Arifon 1.0	1188	250		+1.1
Don Hapal 1.0	1780	180		+2.3
Corat Bank	7188	48		+1.4
Yarden Hotel	2816	175		+0.5
MLL 1.0	12000	3		-1.7
Torn 1.0	790	1388		-

Real Estate, Building and Agriculture				
Name	Price	Volume	NIS	% change
Av-Rov	378	3103		-
Africa Int. 0.1	52750	141		+2.5
Africa Int. 1.0	42200	488		+1.8
Arifon	2880	250		+1.1
Don Hapal	6415	370		-1.0
Don Hapal 1.0	291	3342		-
Don Hapal 1.0	1188	250		-0.8
Don Hapal 1.0	19047	30		+0.4
Don Hapal 1.0	315	1055		-
Don Hapal 1.0	8808	34		-0.1
Don Hapal 1.0	1748	200		+0.1

Investment Companies				
Name	Price	Volume	NIS	% change
Israel Corp. 1.0	4380	2388		+2.2
Wolfsberg 1.0	114000	1		-0.8
Hapoalim Inv.	4913			-1.1
Mitral Invest.	31800	8		-
Yamim 1.0	13405			-1.7
Parmat 1.0	7800	49		-
Plyon	14200	212		+2.1

Oil Exploration				
Name	Price	Volume	NIS	% change
Peat Oil Expl.	28700	114		-1.0
J.O.E.L.	579	11342		+5.1

25 Shares				
Name	Price	Vol.	% Change	
First Internat	8020	3940	+2.5	
Hapoalim p.	1428	280	+1.25	
Clal Trading	415	22400	+0.7	
Supposed A	1428	30	-2.5	
Supposed B	10581	840	-2.5	
Delek	2816	540	+2.5	
Argam	1133	14300	+1.0	
Supposed A	548	3385	+2.0	
Supposed B	8883	280	+1.75	
Clal R.E.	1133	12100	+2.5	
Clal R.E.	18080	98	-0.8	
Edut	1004	2100	-0.8	
Edut	480788	24	-2.5	
Edut	282488	10	-1.2	
Teva	14088	1820	-	
Devel. Sec.	2875	1820	-	
Devel. Sec.	788	28800	+2.5	
Devel. Sec.	403788	36	-	
Central Trade	11588	20	-0.8	
Clal Indus.	225	166000	+1.25	
Clal Indus.	1148	7150	+2.0	
Clal Indus.	2407	10080	-2.0	
Clal Indus.	1328	15000	+2.25	
Clal Indus.	3213	200	-	

Abbreviations:
a.s. = sell only
b.s. = buy only
h.s. = buy/sell only

Israel Money Markets

Shekel Deposits (annual rates)				
Bank	Deposit	Rate	7 days	14 days
Leumi (August 7)	250-1,000	8.00		8.00
	1,001-10,000	11.00	10.00	11.00
	10,001-50,000	11.50	11.00	12.00
	50,001-100,000	12.00	11.50	12.50
	100,001-500,000	12.00	11.50	12.50
Hapoel (July 22)	Up to 999	8.00	8.00	8.50
	1,000-9,999	11.00	11.00	11.75
	10,000-49,999	11.50	11.75	12.25
	50,000+	12.00	12.00	12.75
Discount (August 6)	50-500	6.00	6.00	6.00
	1,000-9,999	11.00	11.00	11.00
	10,000-49,999	12.00	12.00	12.50
	50,000-99,999	12.00	12.00	13.50
First Nat (August 10)	250-499	8.50	8.10	
	1,000-9,999	11.00	9.80	10.20
	5,000-9,999	11.00	11.00	11.50
	10,000-49,999	12.00	12.00	12.50
	50,000+	12.50	12.50	13.10

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Sharon's war

Five years after the start of what he describes as the expulsion of the PLO from Beirut, the relentless contender for the premiership on the Likud slate, breaking a long silence, has offered an aggressive, no-holds-barred defence of the Lebanon war — *see Operation Peace for Galilee* — and of his role in it as defence minister during the early phase of the war.

By and large, Arik Sharon's three-and-a-half hour sermon on the subject at Tel Aviv University's Centre for Strategic Studies this week was conspicuous for the absence of any fresh analysis of the origin and prosecution of the war. Familiar arguments, long ago criticized, were trotted out again. It was, by and large, the sort of oratorical performance that tends to give warmed-over hash a good name.

Its significance lay more in the very fact that it was delivered, in perfectly simulated earnestness, before a large crowd that included some very important persons.

True, a couple of interesting new points were made in the course of the presentation. Not only were the massacres at Sabra and Shatilla, the cause of Mr. Sharon's precipitous fall from grace, left wholly unmentioned, but so was the notion of "war of choice." Menachem Begin's singular contribution as prime minister to Israel's military terminology. Conceptually, Sharon tried to place the Likud's bloody northern adventure squarely in the alleged Alignment tradition of battling it out with "our chief enemy, Palestinian terrorism... which is doing everything in its power to pull us out of here."

In other words, nothing but political spite could have induced the Alignment to oppose the "war of salvation" — Mr. Sharon's substitute for "war of choice" — after its launching.

The war's uniqueness, in Mr. Sharon's eyes, stems from its having been the first and so far only war in Israel's annals whose objectives had been determined months, even years, in advance. These objectives never varied during the war, were achieved in full before the war ended, had been clearly understood before the first shot was fired by whoever had anything to do with the war, and by many others in the government, the army and the wider public as well as in the outside world, particularly in the U.S.

It was also, Mr. Sharon contends, the first and so far only Israeli war whose every single step was approved by the government.

What war could Mr. Sharon possibly have in mind? Surely not the officially advertised 40 km. rally into southern Lebanon, designed to remove Galilee settlements from the range of PLO artillery and meant to last — that was Mr. Begin's message to Alignment leaders — two to three days at the most. And surely not the military operation the step-by-step approval of which by the fairly mindless cabinet was granted, as Mr. Begin is reported to have ruefully observed, either before a new step was taken, or after.

Mr. Sharon's was the "Big Oranim" war for the final solution of the Palestinian problem. Its main objective was to be secured by routing the PLO, and kicking all the Palestinians — as well as the Syrians — out of a Lebanon reshaped as a Maronite fiefdom, the Palestinians then moving, through Syria, into Jordan where they would help transform the Hashemite kingdom into a Palestinian state.

Needless to say, Mr. Sharon does not now concede that that was his true objective. He pretends to be wholly satisfied with the removal of PLO headquarters.

That achievement is supposed to have been well worth the loss of 650 Israeli soldiers — even if, in the process, Lebanon has been turned into a rejectionist non-state, the Syrians have been more deeply entrenched in it than ever, southern Lebanon outside the security zone has become a breeding ground for hostile Shi'ite fundamentalism, and PLO terrorism has grown to be a greater threat than it was under the ceasefire that preceded the outbreak of the war.

With Karyushas falling over Upper Galilee again, an authoritative exposure of Sharon's distorted history would be in order. But this cannot be the job of a judicial commission of inquiry as some Labour people noisily insist — if only, as Geula Cohen has rightly noted, because the job could not be done without the cooperation, hardly to be expected, of the reclusive Mr. Begin.

OK kids, clean up!

AFTER years of insisting that the Israel government is adult, that it must make up its own mind on the Lavi, that the U.S. would, of course, make its views clear but the ultimate decision was Israel's, the Reagan administration has finally decided that it has no choice but to treat Jerusalem like a child.

That is the principal meaning of the official announcement by the State Department spokesman on Tuesday that Israel should "terminate" the project in the best interest of both countries.

Until now it was only the Pentagon and its officials that spoke publicly on the Lavi issue. This enabled Israel's proponents of the project to argue that the Pentagon, headed by Caspar Weinberger ("ugh") did not necessarily represent the position of the administration. The State Department announcement was deliberately intended to put paid to such nonsense.

No doubt the extraordinary and unusual combined vote earlier this week in the Knesset Finance and Foreign-Defence committees in favour of building the Lavi, prompted Washington to assert itself in this new way. Presumably American officials interpreted that vote as an accurate reflection of political sentiment and political calculation which could influence the decisive vote scheduled in the cabinet. It undermined the confidence in Washington that in the cabinet the very simple act of adding the Lavi cost figures would determine the decision.

Thus, contrary to routine, the Reagan administration decided to "save Israel from itself." Sensing that like the MKs so the ministers might defy reason, someone in Washington wisely decided it was time to throw out the ultimate lifebelt to the ministers — "American pressure."

Since it was America that was supposed to be footing the bills — and providing the engine and airframe of the plane — such a conclusive U.S. "No" would be not only a convenient, but also legitimate, way of getting the ministers off the hook.

Now, like children who blame their parents for not permitting them to take dangerous risks, Israel's cabinet, down to the last hero in the disbursal of American money, could blame Washington.

The danger of this outcome is that the U.S., in the future, will again conclude that it must save Israel from itself. And given the depth of Israel's dependence on the U.S. that danger is pervasive. Yet, given our recent record in decision-making, perhaps it is not a danger at all, but a benefit.

Gorbachev, Thatcher — and the Histadrut

Ya'akov Morris

GAD YA'ACOBBI appears to be the only Labour politician attempting, intellectually at least, to grapple with such basic ills of Israel's society as the defects in its democracy and economy. He casts a glance (*The Post*, August 6) at the winds of change in the Soviet Union and Great Britain and challenges the conservatism of his own country.

Israel, fortunately, is not Gorbachev's Russia nor is it "England's green and pleasant land." Its socialism is not that of the East nor is its "capitalism" that of the affluent and sophisticated West. But, alas, its dynamism and inventiveness — once its greatest virtues — seem to have petered out.

There was a time when Israel's labour movement was both innovative and exciting. Those were the days when such inventions as the kibbutz, the moshav and the moshav shifrut in agriculture, and the industrial economy attracted the attention of socialists everywhere. Liberals, too, were impressed by these accomplishments, particularly since they were achieved through the collective voluntary efforts of the pre-state pioneers. As well as the tangible achievements there was an intellectual ferment, an ideological and political debate over problems and solutions that also related to issues of labour and liberalism in the outside world.

Israel labour today has barely an echo of all this despite the quantity of its achievements since. Its quality has declined to an almost mindless pragmatism; spiritually, it appears to have lost its soul. Perhaps, when there was less material substance to be shared, it was easier to be egalitarian. Perhaps, with so few people involved in the Histadrut, for example, was founded in December 1920 by 87 men and women in Haifa, representing 4,400 members of various workers' groups throughout the country — real democracy was only natural.

Of course, the world from which these people came was different, Jewishly and otherwise. Certainly, few of those founders anticipated that the "labour commonwealth" which they aimed at establishing would ultimately embrace a "property" under upper crust and a much less affluent proletariat. Nor did they imagine that their socialist and democratic ideals would spawn so lifeless a hierarchy of bureaucratic vested interests as that which sits astride Israeli labour today.

Everyone has explanations for the decline. It is true that the mass immigration of the 1950s was a factor, as well as the tremendous economic and social problems of its absorption into a society besieged by the Arab states. The state itself took over many of the vanguard tasks once shouldered by the labour movement. Yet these and other reasons do not add up to a satisfactory explanation of why the pioneer labour generation, which remained at the helm of statehood until 1977, lost its socialist and democratic momentum. Ya'acobi's prescription, based on the Gorbachev and Thatcher examples, is a sad com-

ment on the state of Israel's labour movement today.

A BROCHURE, issued in 1976 by the international department of the Histadrut, declares: "For the purpose of its economic activities, the Histadrut is constituted as the General Cooperative Association of Labour in Israel, called Hevrat Ovdim, or 'The Workers' Common-wealth.'" As is well known, Hevrat Ovdim embraces such central economic enterprises of the Histadrut as Solel Boneh and the Koor conglomerate, in addition to shipping, aviation, insurance, banking, etc.

While employees of these enterprises have some say in their management, the above-quoted phrase which adds that "every member of the Histadrut is a member of Hevrat Ovdim" is meaningless. The members of the Histadrut exercise neither control nor supervision over Hevrat Ovdim's enterprises, while "ownership" is a pure abstraction.

Then who does exercise control or supervision over so vast a business enterprise? It is certainly not the members of the Histadrut. They elect approximately 1,500 delegates to the federation's national convention which, in turn, elects more than 500 members of its council. The council elects an executive committee of 167 members, the day-to-day business of which is conducted by a 22 member executive bureau. The executive committee apparently elects the secretary-general and appoints the chairman of Hevrat Ovdim. This tiresome pyramidal structure denies any direct role to the ordinary Histadrut member once he or she has cast the vote for the delegates to the national convention. From then on, the member has no say whatsoever in the running of Hevrat Ovdim.

Elections to the Histadrut national convention are by proportional representation, each party presenting lists of candidates of their own choosing. Once elected, the candidates are accountable only to their parties and not to the general membership. Direct election of candidates by constituencies is as unknown in the Histadrut as in the Knesset election system.

It is against this background that Gad Ya'acobi urges reforms. "Is the actual public control of public or government-owned enterprises and corporations," he asks, "really greater than in private companies, whose shares are traded on the stock exchange, and on whose boards of directors there are public representatives?" The very question implies a negative answer. "Is it really necessary," he goes on, "that for the purpose of direction and control, ownership should be exclusively in the hands of the government, the Histadrut or some other public body?"

There is, of course, quite a difference between the national and public ownership of enterprises by the government or Jewish Agency, for

example, and those of the Israel labour movement. Those of the Histadrut were established originally in the belief that they were "socialism in the making" — a concept different from nationalization or public ownership. Democratic socialism in fact implies both ownership and control by the workers.

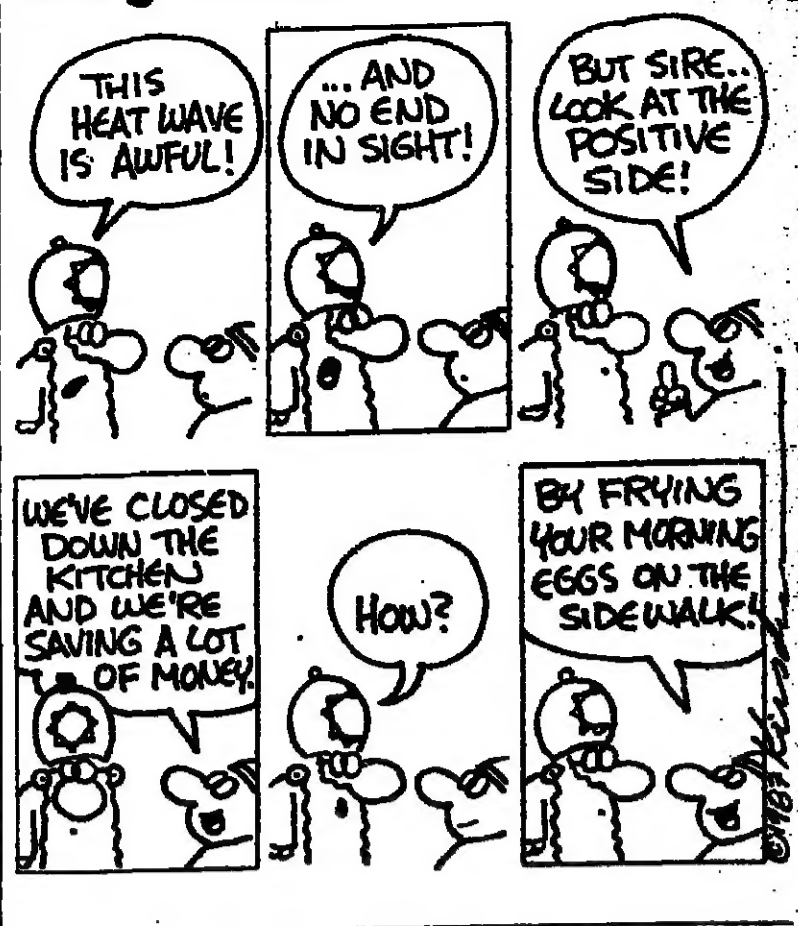
Ironically, Israel's working people, as organized in the Histadrut, have neither control nor real ownership of the enterprises of Hevrat Ovdim. In this sense — with the obvious differences between a totalitarian and democratic context — Hevrat Ovdim can indeed be compared to the Soviet economy where, in neither control nor ownership, exists for the Russian working masses. Moreover, political party hierarchies dominate the enterprises of both with little accountability to their respective labour movements. In both instances, it is not "ownership" which is the issue but democracy. It is even more ironic if one acknowledges that with large-scale private enterprise in the West there is an annual meeting in which all have at least a voice. To be sure, those holding the largest block of shares play a dominant role. Ya'acobi, in his article, does not indicate how the situation can be changed in the Israel case by political or direct share-holding means.

The first and primary obstacle to such a transformation would inevitably be his own Labour Party which, since pre-state days, has occupied a dominant role within the Histadrut. Ya'acobi's longing look at Gorbachev's reforms is thus understandable but hardly relevant. While Gorbachev can command, Ya'acobi can only hope to convince fellow members of his own hierarchy that they should voluntarily relinquish some of the power they possess over the Histadrut's labour economy. If Ya'acobi is prepared to do battle by democratic means within the Labour Party and within the Histadrut for real control by Israel labour over Hevrat Ovdim enterprises it nominally owns, then he deserves every support. His article, however, avoided any such political implications.

IF VESTED PARTY interests can be anticipated as an obstacle to real reform in the case of Hevrat Ovdim, the member-owners of Histadrut cooperatives can be expected to be even more intractable. In the Histadrut brochure quoted we find: "The labour economy includes a variety of structural forms which fall, however, into two main types. There are cooperative societies run by their own members; and there are enterprises initiated by Hevrat Ovdim."

The most noteworthy of these are the transport cooperatives which enjoy a veritable monopoly within the Israel economy. Many years have passed since the bus cooperatives were manned solely by shareholding drivers. Today, these working drivers are served by a large wage-earning proletariat, consisting of mechanics, garage hands, and other employees of various supporting trades. None of this wage labour

Dry Bones



owns shares in the cooperatives. In fact share-holding is not merely restricted to the existing cooperative members; it is also passed down from father to son. Limited and hereditary shareholding, together with wage labour, constitutes the essence of capitalism — not socialism.

The socialist solution of the above problem would obviously be to provide all wage labour employed by the cooperatives with the opportunity of becoming shareholders as well. Attempts to bring this about would result in the most fierce resistance on the part of the cooperative members. Furthermore, it would be futile to believe that the Labour Party would be sufficiently socialist or courageous to engage in such a battle.

I suspect that Gad Ya'acobi is aware of this. Hence his Thatcherite "model" of mass shareholding would encounter rigid opposition. What might be attainable, however, is the issuing of additional shares which might be purchased by the man in the street that in value and in number would never constitute a challenge to the real ownership or control of the existing membership.

Cooperative members would not go along, as Ya'acobi seems to suggest, with an approach that would separate "ownership" and "control." There is, of course, a fundamental difference between the Histadrut's urban and rural cooperatives. The kibbutz movement as a whole had managed to avoid the problem of outside wage labour. When wage labour became widespread, the kibbutz made various attempts to open shareholding to labour employed in its auxiliary industrial projects. All of these failed because of the issue of ownership which remained in the hands of the kibbutz. The outside shareholder wage labourer showed less responsibility towards the efficiency and profitability of the project than did the kibbutz member. The same problem

existed with the employment of hired hands by the moshavim.

YA'ACOBBI'S SUGGESTIONS fall far short of what is necessary in the case of labour enterprises, the transformation of which would first and foremost be possible only as a result of a successful political battle. They become more realistic and relevant if, when related to government and Jewish Agency enterprises. It was the practice in the past, during the many years when the Labour Party was the core of governmental coalitions, to transform nationally-owned enterprises into private and shareholding companies. This was done when the government required the assets involved for investment to be transferred into new, pioneer enterprises in development areas where private enterprise still feared to tread.

This process has continued. Hence, Ya'acobi's suggestion that this shareholding process should now be extended to new and existing government and/or municipal enterprises in such development areas as the Negev or Western Galilee, is perfectly feasible. It would certainly encourage and enhance public involvement in the country's progress.

The Jewish Agency, now that 50 per cent of its control has been wrested from the Israel parties, is also now more amenable to some modification. Although the battle between the two elements — the outside major fund contributors and the Israeli parties — still continues, there can be little doubt that the entire economic fabric of the Jewish Agency is headed for radical change.

It is obvious that the future of Israel's economy depends now upon new efforts and new thinking. The battle against inflation has more or less been won but the major war to increase the size and output of the economy still lies ahead. All sectors, whether private, labour or public, can no longer afford to maintain a traditionalism that obstructs further progress. For each sector specific blue-prints are needed. Transformation of both labour and public enterprise depends directly on change in the system of their political management. Here, political and economic democracy are integral and inter-related. Just as in the case of its parliamentary system, the question of direct democratic control must take priority on the agenda of change.

The writer is a former member of the diplomatic service.

READERS' LETTERS

COVERING THE MIDDLE EAST

To the Editor of The Jerusalem Post

Sir, — Like Hanna Siniara, I am a journalist — neither Israeli nor Jewish — living and working in Jerusalem. I too have had pictures of Yasser Arafat in my office: one, a memento from the PLO battles in Tripoli, Lebanon, in 1983, when a photographer caught in the same frame Arafat, several of my friends and me during a press conference; the other, a drawing by the Israeli artist Ori Hofmekler — no less flattering than the caricatures of Shimon Peres and Yitzhak Shamir — included in a calendar produced by the Israeli publishers, Domino Press.

Like most correspondents covering the Middle East and based in Jerusalem, I have talked with Arafat and other PLO leaders. My newspaper has carried accounts of those interviews. Sometimes, the Israeli press used details from these interviews in preparing their own stories.

Like any other news organization operating in the region, my office contains files and clippings related to the PLO.

SUBVERSIVE YOUTH

To the Editor of The Jerusalem Post

Sir, — As a Labour Zionist who made aliya more than 30 years ago, I share the apprehension of most Israelis, including *The Post*, over the growing power of the haredim.

But I differ on one point — the conscription of yeshiva students. Since my arrival here I have had occasion to become acquainted with haredim and their attitudes. These people are not only unpatriotic, but downright subversive. A haredi with whom I travel from work every day told me he was thrilled when he heard that the Israeli team ("your tennis players") had lost all of the

I have met many times with Mr. Siniara during my assignment here and have found him to be an open and honest individual — the kind of person needed on both sides of the Arab-Israeli conflict if it is ever to be resolved.

If Mr. Siniara stands accused of loyalty to the PLO, then the Israeli police might as well move against virtually all of the hundreds of thousands of Palestinians living in East Jerusalem, the West Bank and Gaza.

I would not be presumptuous to claim the background or standing in this city that Mr. Siniara enjoys, but if such specious issues as pictures of Yasser Arafat, PLO articles, etc., are criminal, then I suggest that if Israeli authorities have nothing better to do than to harass this respected East Jerusalem editor, then they should raid my office in Beit Agron and press charges against me instead.

CURTIS WILKIE,
Jerusalem Bureau Chief,
The Boston Globe
Jerusalem.

ARAB BOYCOTT

To the Editor of The Jerusalem Post

Sir, — Jews in western countries need not stand idly by when an international concern weakly surrenders to the terms of the Arab boycott. They can mobilize themselves into taking positive action and operate a counter-boycott against

such companies, resolutely refusing to purchase their products and informing them why they are doing so. Support for Israel has many different avenues.

LEILA CUMBER
Kiron (Harrow, England).

HARMFUL SECRECY

To the Editor of The Jerusalem Post

Sir, — Many people were proud of the efficiency of our intelligence agencies in smuggling Mordechai Vanunu back into Israel. Unfortu-

nately, it is a story of which the whole country may yet become increasingly ashamed unless the cloak of secrecy is lifted.
Beersheba.
JEREMY WEIL

STUDENT PROTEST

To the Editor of The Jerusalem Post

Sir, — Democracy ceases to exist when elected government is overruled by institutions unaccountable to the public. Therefore, the decision of the boards of Tel Aviv, Bar-Ilan, and the Hebrew University to set fees at NIS 3,000 after the government had set them at NIS 2,000 sets a dangerous precedent. These universities have made a mockery of effective government and betrayed their students.

NIS 3,000 is just a starting figure and does not include living expenses, books, etc. Yearly expenses will come closer to NIS 5,000 — almost

three-quarters of yearly average income.

Let the universities forget, the aim of the student is to study. Working full-time is not conducive to effective study. Moreover, to leave higher education open to the rich only serves to divide the country.

The university administrations put themselves in financial trouble and now expect the students to bail them out. For the sake of the country, the students cannot and will not accept this.

DANNY REISS
Public Affairs
Student Union
Bar-Ilan University
Ramat Gan.

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